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New Zealand 1994
Television Broadcasters' Yearbook

94 TELEVISION

New Zealand 1994 Television Broadcasters' Yearbook

Following international trends, TVNZ, TV3 and AGB McNair have combined resources to produce this Yearbook, which offers a comprehensive look at television in New Zealand. This 80 page book is packed with detailed information on everything from attitudes to advertising, peak viewing trends and PeopleMeters, to top programme ratings, advertising standards and a look at what television might be like in the future.

It has been designed to meet your needs and those of the industry and will be updated on an annual basis.

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New Zealand 1994
Television Broadcasters' Yearbook

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New Zealand 1994

Television Broadcasters' Yearbook

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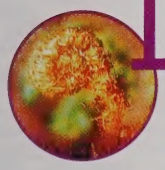
We couldn't have done it without you!

94 TELEVISION NOTSTATION

Section 1



The Television Market in New Zealand 9
- The History of Television in New Zealand
- The Changing Face of Television
- Comparative Statistics
- Channel Profiles
- New Entrants
- Census Information

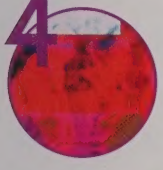
Section 2

The New Zealand Viewer 31
- Peak Average Audiences
- Average Daily Time Spent Viewing
- Average Viewing Levels Through the Day
- Video Recording and Playback

Section 3

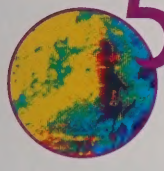
Programming for New Zealand Viewers 39
- Programming Statements, Top Programmes and Schedules
- NZ On Air • Local Programmes
- Programming Standards in New Zealand

Section 4



Measuring the New Zealand Television Audience 49
- AGB McNair PeopleMeters
- Television Audience Research Studies

Section 5



Television Advertising 55
- Advertiser Expenditure
- Agency Expenditure
- Commercial Lengths
- Minutage Per Average Hour
- Why Advertisers Choose Television
- Advertising Expenditure on Television and Other Media
- Attitudes Towards Television Advertising
- Advertising Standards
- The Television Commercials Approval Bureau
- Liquor Advertising
- Programme Sponsorship

Section 6

The Future of Television in New Zealand 71
- Direct Response Television
- Satellite Television
- Cable Television and Fibre Optics
- High Definition Television
- Education Television
- Teletext

Glossary 76

Contact Addresses 80

This is the first Yearbook to be produced by the New Zealand television industry's major broadcasting networks. It is released at a time when the industry is entering a new growth era.

Until 1989, New Zealand was served by a government-owned broadcaster operating two channels – akin to some national broadcasting models which had evolved in Europe. While this gave a semblance of choice for consumers and advertisers alike, there was a growing realisation in the community that a more realistic competitive structure was needed if the best interests of the community were to be served. Thus, the industry was deregulated and the way was cleared for private broadcasters to compete with the government-owned channels.

Since the onset of deregulation, TVNZ (now a state-owned enterprise) has undergone fundamental corporate change to meet the challenge of competing with the private sector newcomer, TV3. It can be said that the winds of change have blown far and wide. Since 1990 New Zealand viewers have been able to subscribe to Pay TV service via SKY Network Television. Even more recently, private regional broadcasting has commenced in a number of local areas around the country. The Government has moved almost diametrically away from its earlier model of national television, dismantling many of its regulatory structures in the process. Viewers still pay an annual licence fee (of $110) but it is now used mainly to fund New Zealand-made programmes on all the networks.

Thus, for some years now, New Zealanders have had greater choice in programming than Australian viewers, and advertisers have experienced a broadening of choice over their communicative channels.

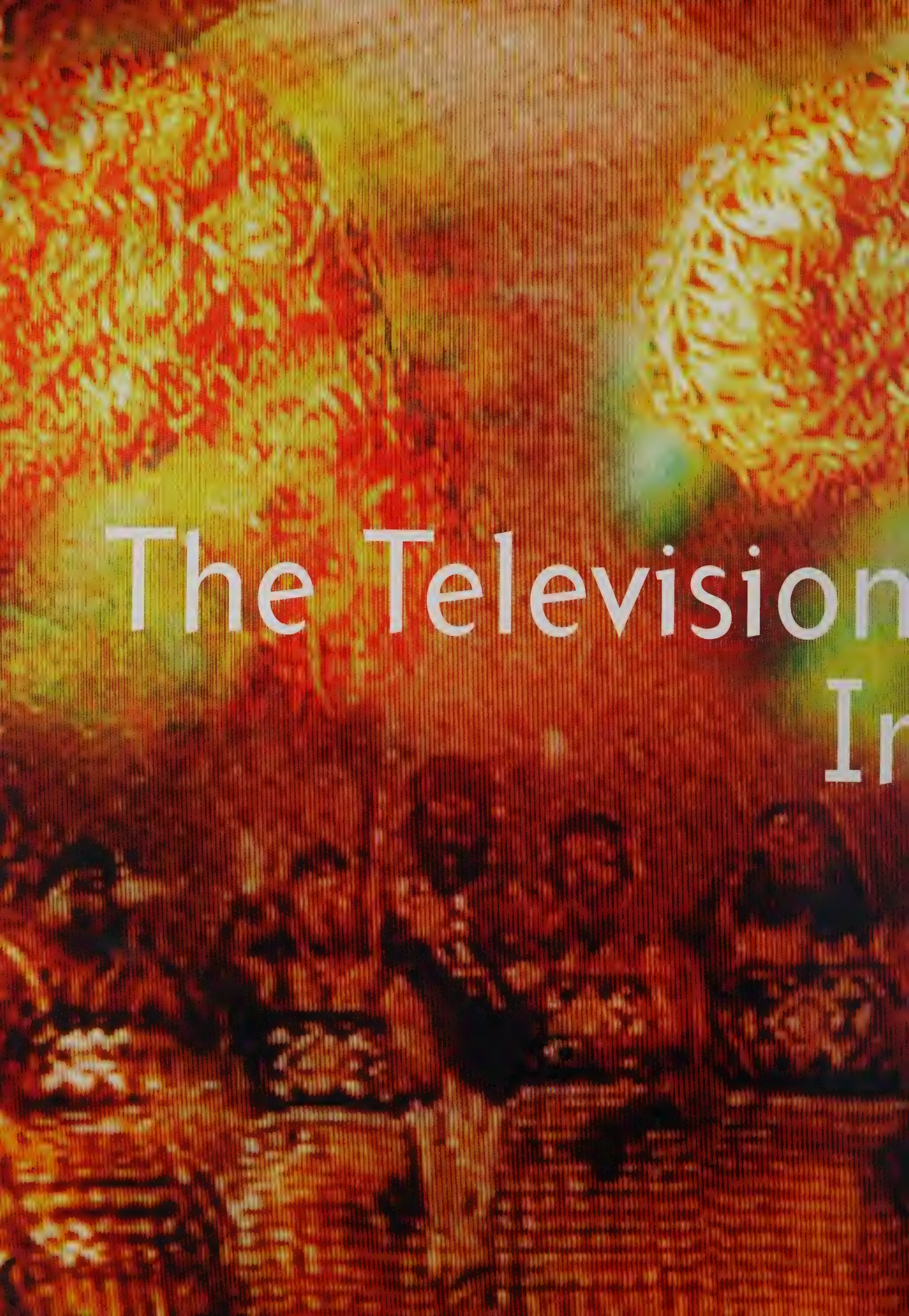
What are the details of all these changes and what impact have they had on New Zealanders? What lies ahead? Could it be even more dynamic than the changes we have experienced thus far? This Yearbook gives us many of the answers to these questions. It defines the geographical extent and characteristics of the New Zealand television market; the distribution of equipment, including video and audio equipment; the measures of television viewing; the peak viewing trends and top programme ratings; programming and advertising standards; attitudes to advertising; the methodology of audience measurement; and looks to the future.

This Yearbook will appeal to a wide variety of television users, including advertisers, producers, media students and viewers.

As a joint venture of the major television networks, TVNZ and TV3, a special tribute must be paid to the working party representing these organisations. They have done a magnificent job assembling the many and varied source materials needed for this complex Yearbook. Likewise, thanks must go to AGB McNair for collecting and processing much of the data on television viewing and advertising that appears in the book, and to the production team of creative consultants and suppliers. They have all ensured the success of this first Television Yearbook.

Terry Bead

Dr Terry Bead
Director, Centre for Survey Quality Assurance, Sydney,
Auditor to the New Zealand Television Broadcasters' Group.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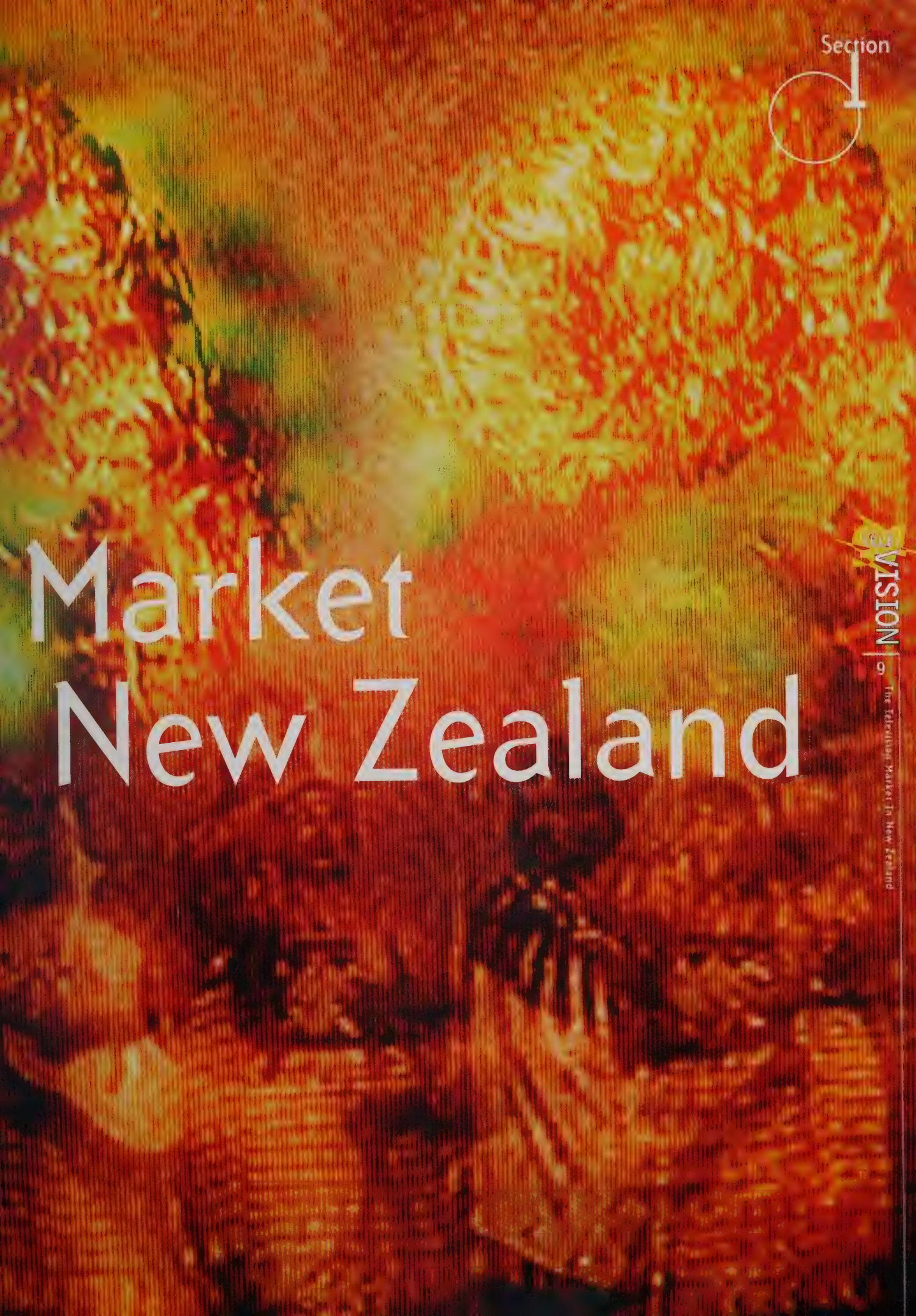
Section
Market
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The Television Market in New Zealand

HISTORY OF TELEVISION IN NEW ZEALAND

1960

1 June: *New Zealand Broadcasting Service begins transmitting from Auckland for two hours per night, two nights per week.*
August: *Television licence fee of £4 is introduced.*
October: *Transmission extended to five nights per week.*
Local programme: *Graham Kerr cooks an omelet.*
Overseas programme: *The Adventures of Robin Hood.*

1961

1 April: *Commercial television begins; Transmission extended to 28 hours per week.*
1 June: *Transmission begins in Christchurch.*
1 July: *Transmission begins in Wellington; 4,808 television licences issued.*
Local programme: *Gordon Dryden fronts Sportsroom.*
Overseas programme: *Danger Man.*

1962

31 July: *Transmission begins in Dunedin; New Zealand Broadcasting Corporation created.*

EARLY HISTORY 1920-1960

The first television pictures in New Zealand were transmitted as early as the 1920s. Honours for this achievement go to Otago University's Professor of Physics, Robert Jack, and his team of radio broadcasting pioneers. Unfortunately funding for the visual transmissions dried up by 1930 and the team continued their work with audio broadcasting only.

The first opportunity for the New Zealand public to view television came in 1951 when an Australian company, Amalgamated Wireless Australasia Limited (AWA), provided equipment for a series of demonstrations in both Auckland and Wellington. Weighing two tons and valued at £10,000, the equipment was initially assembled in the New Zealand Broadcasting Service Waring Taylor Street radio studios in Wellington.

The hour-long show was a tribute to the capabilities of the new medium, and to how much could be fitted into 60 minutes. Included in the demonstration was:-

- An episode from the series *The Wooden Horse*
- The violinist Zita Outrim
- The Ngati Poneke Club performing a Maori stick game
- A demonstration from the Wellington Zoo
- *The Quiz Kids*
- A tennis lesson
- A cigarette commercial
- Broadcast to Schools singing lesson
- A resuscitation demonstration
- Wellington ballerina Judith Watt
- A boxing display
- Aunt Daisy's cooking demonstration
- The Harmony Serenaders

Over three days thousands of Wellingtonians viewed the demonstrations before the display was packed and shipped to Auckland. The 1YA studio in Shortland Street was the Auckland venue where thousands more New Zealanders queued for their first glimpse of this new medium.

This started a decade of further experimentation and trials throughout the country. Canterbury University was the first to enter the field, and now enjoys the distinction of being the first New Zealand television broadcaster with its

Local programme:
Ray Columbus hosts Club Columbus.
Overseas programme:
The Flintstones.

1963

Television licences number 81,839.
Local programme: *Musical quiz, Note For Note.*
Overseas programme:
Steptoe and Son.

1964

Transmission extended to 50 hours per week; Licensed sets number 167,744.
Local programme:
Peter Sinclair hosts Let's Go.
Overseas programme:
Coronation Street.

1965

Television licences number 313,920.
Local programme: *New Faces.*
Overseas programme:
Peyton Place.

1966

Television licences number 434,877.

Local programme:
Country Calendar.
Overseas programme:
The Fugitive.

1967

Decimal currency introduced.
Local programme:
Town and Around.
Overseas programme:
Rolf Harris Show.

establishment of ZL3XT in 1952. Covering a radius of several miles around central Christchurch, the station was set up as an experiment to provide "excitement, scope and training for electrical engineering students".

Interest in these early efforts was great, and the university benefited from outside companies donating componentry and equipment. By 1953 their efforts attracted the New Zealand Radio Traders Federation conference, and delegates toured the School of Engineering to get a glimpse of their own future.

Aucklanders, however, were not content to let their Mainland counterparts receive all the credit. The Seddon Memorial Technical College collaborated with local retailers to establish a two year night school class to train television servicemen. This gave the electronics company Pye an opportunity to gain favorable publicity when it donated componentry for students to assemble twelve receivers as part of the course.

This was only a small part of Pye's efforts to gain public and political support for television broadcasting in New Zealand. Suffering from a downturn in radio sales after the wartime boom period, the company needed this new market opportunity to increase turnover. With funding from their parent operation in England, Ted Grant from Pye's Akrad factory in Waihi was sent to Britain to study television. Returning in late 1953, Grant was accompanied by five British television engineers and £75,000 worth of equipment, including a 25 watt transmitter.

Their first task was to set up a demonstration at the Royal Wellington Show in January 1954, which coincided with the Royal Visit by Queen Elizabeth and the Duke of Windsor. This was the first major push by a commercial organisation to create public interest in television and pressure the Government to reach a decision on how and when television would be introduced.

Although the demonstrations failed in their ostensible political and commercial purpose (it was to be another six years before the Government introduced television), the Pye demonstration unit did give thousands more New Zealanders their first experience of 'the box' as it trailed from show to show throughout the country.

From the Royal Show in Wellington, the equipment moved north for Auckland's Easter Show in April 1954 where it dominated the fortnight-long show with 175,000 visitors breaking all previous attendance records.

Despite the Government indicating that it did not intend to proceed with a television service, Pye dispatched the demonstration on a provincial tour that televised a variety of events ranging from Coromandel rugby to surgery in Hamilton.

However, by the mid-50s the lack of political interest seems to have dampened the ardor of companies like AWA and Pye who set up these public demonstrations at considerable cost, with little hope of immediate return.

The Seddon Memorial Technical College continued to train servicemen, and a number of radio and electronics

1968

A combined radio and television fee is introduced. Licensed television sets number 607,815.
Local programme: *Coverage of Wahine disaster wins a World News Film award.*
Overseas programme: *Disneyland.*

1969

Permanent national network link up established.
Local programme: *The Alpha Plan.*
Overseas programme: *Neil Armstrong walks on the moon.*

1970

New Zealand Broadcasting Authority enquiry about the need for a second channel; Transmission extended to 65 hours per week.
Local programme: *Brian Edwards acts as conciliator on Gallery in a Post Office dispute.*
Overseas programme: *Undersea World of Jacques Cousteau.*

1971

Warkworth satellite station opened; Conversion to PAL colour system begins.
Local programme: *Pukemanu.*
Overseas programme: *Six Wives of Henry VIII.*

1972

The new Labour Government

enthusiasts up and down the country continued to play around with television, with varying degrees of success. By the middle of 1955, the Seddon College had set up ZL1XXR with an experimental licence that saw it broadcasting regularly every Wednesday from 6.00pm to 6.30pm. These early tests were transmitted to the few Aucklanders who had imported or made sets at home, and were initially dominated by a test picture of Rita Hayworth and an ice-skating film that was repeated over and over.

The next major push for television came from local businessman Al Bell who took over his brother's radio manufacturing business and renamed it the Bell Radio and Television Corporation — "the largest radio manufacturer in the country". Just as Pye had done earlier in the decade, the Bell travelling roadshow toured the country drumming up support and public interest in the new medium as far south as Dunedin. This tour culminated in Bell being granted an experimental broadcast licence ZL1XQ. His 200 watt transmitter sent the first test pictures out in May 1957, and by July the Dominion Road factory was on air on a regular basis.

Before long the select band of a few hundred Aucklanders with access to television sets could watch television three hours a night from 7.00pm till 10.00pm on Mondays, Thursdays and Sundays. For real addicts, the Seddon transmissions were still scheduled every Wednesday with the occasional Tuesday included as well.

Bell received material from a wide range of sources, with embassies, oil companies and airlines all providing a range of 'educational' films. Theatre groups and artists also performed and many Auckland entertainers gained their first exposure through the factory studio. However, Bell wasn't scrupulous in observing the 'experimental' nature of his licence and had become a 'pirate'. Officialdom attempted to respond with the politicians looking on from behind. Three times the Post Office changed the frequency, and each time Bell technicians modified their equipment.

But politicians had to gauge the public mood as well. Bell had imported a large number of British television receivers, and spread them strategically around Auckland. A number went to hospitals and rest homes, and public demand was growing.

By 1958, the Government announced approval for the New Zealand Broadcasting Service to import equipment "to investigate the establishment and transmission of television." The equipment arrived in Auckland on the freighter Canberra Star in January 1959, to be installed in the 1YA studios in Shortland Street as the fledgling 'Channel 2'. At the same time Bell announced they were ready to begin mass production of domestic television receivers at a cost of about £100 each.

Transmission commenced on 23 February 1959 with test signals hailed as 'A HUGE SUCCESS' by a New Zealand Herald headline. The first official transmission did not air for several months however, and it wasn't until May that everything got off the ground with a collection of items including a film on hydatids, a Health Department film on restaurants, a Transport Department film on road accidents and a court case.

decides against Gordon Dryden's Independent Television Corporation and awards the warrant for a second channel to the NZBC. ***Local programme****: Playschool.* ***Overseas programme:*** *Monty Python's Flying Circus.*

1973

31 October: *Colour television is officially introduced; Transmission hours reduced to conserve energy.* ***Local programme****: Richard John Seddon - Premier.* ***Overseas programme:*** *Boney.*

1974

Local programme: *Spot On.* ***Overseas programme:*** *Muhammad Ali/George Foreman fight attracts an audience of 880,000 on a weekday afternoon.*

1975

March: *The television centre at Avalon is opened.* ***April:*** *The NZBC fades out of existence and is replaced by Television One, Television Two and Radio New Zealand.* ***30 June:*** *Television Two opens in Auckland and Christchurch.* ***Local programme:*** *Close To Home.* ***Overseas programme:*** *M*A*S*H.*

1976

Television Two becomes known as South Pacific Television. ***Local programme:*** *Telethon.* ***Overseas programme:*** *Starsky and Hutch.*

There was still a lack of entertainment programming and public committees were formed to address the issue through a petition to Parliament. This sought to encourage the style of programming that Bell viewers in Auckland had become accustomed to. The petition received a 'no recommendation' verdict from the Public Petitions Committee, but it still made it to Parliament and served to keep the pressure on, with a few questions raised by the National Party Opposition.

The big moment came on 28 January 1960 when it was announced that the New Zealand Broadcasting Service would progressively introduce the country's television service to the four main centres, starting in Auckland.

Despite the experimental set-up in Auckland, there was still a long way to go in implementing Cabinet's decision. Tenders were placed for equipment to supplement Auckland and to implement new facilities in Wellington, Christchurch and Dunedin; programme stocks needed to be boosted; local production staff needed to be recruited and trained; and there was still no budget in place for the new service.

But there was an election in November and the Government had made up its mind. Formal television broadcasts were scheduled to start on Wednesday 1 June.

This first broadcast gained critical acclaim from the press, and was a mixed bag of true entertainment starting with the English serial *The Adventures of Robin Hood.*

Throughout the evening, live interviews and a performance from the Howard Morrison Quartet were interspersed with imported series, a documentary and an American adaptation of Edgar Wallace's novel *Four Just Men*. There were comments made by journalists complaining about the censor's cutting of *Four Just Men*, and how the continuity of the film was affected.

These early days rapidly gained momentum, and in mid-July transmission was extended to Mondays, Tuesdays, Wednesdays and Fridays. This was not without a price to the consumer as the Government, in an attempt to raise funds for the rapidly increasing service, introduced a £4.0.0 licence fee payable from 1 August. Shortly afterwards, on 1 September, Al Bell ceased transmitting to his select following of Aucklanders. Sales of his television receivers were threatening to overtake supply, and the programme transmissions had become a mere diversion from this core business.

Throughout this early period the news service was slowly introduced. This was mostly overseas news reels, occasionally supplemented by local items. Also debuting was the first regular sports programme, *Sportsroom*, which was studio-hosted by cricket commentator Alan Richards. It was the year of the Olympics, and this helped *Sportsroom* gain an appreciative audience, especially when its guests included a young Peter Snell.

Even before the other main centres began broadcasting, Auckland viewers were viewing the first regularly scheduled commercials. These early advertisements were limited to seven minutes per hour and only half of the weekly broadcast time was allocated as commercial (Tuesday, half of Wednesday, Thursday and Saturday).

1977

Broadcasting reverts to a single corporation, BCNZ.
Local programme: *Fair Go.*
Overseas programme: *The Good Life.*

1978

Local programme: *The Castaways.* ***Overseas programme:*** *I, Claudius.*

1979

Television sets in 95% of New Zealand homes.
Local programme: *Children of Fire Mountain.*
Overseas programme: *The Professionals.*

1980

Television New Zealand is formed as an SOE operating Television One and Television Two. Local productions make up 33.6% of total transmission time.
Local programme: *Mortimer's Patch.*
Overseas programme: *Fawlty Towers.*

1981

Tenders are called for the supply of programmes for TV2's morning slot.
Local programme: *Billy T. James Show.*
Overseas programme: *Hill Street Blues.*

1982

Private Enterprise, in the shape

EVOLUTION OF THE MEDIUM: THE NATIONAL NETWORK

Growth of television throughout the 60s was exponential, with the number of licenced sets doubling every year through the early part of the decade. By 1965 there were over 300,000 licensed sets, serviced by three main transmitters, 53 translators and 245 mini-translators that operated to ensure that most of the country had access to a good signal.

This growth continued, and during 1969 a fully national link-up had been established. Although lacking somewhat in both quality and reliability, this network link benefited the news and current affairs services immediately. The delays inherent in shipping news items around the country disappeared, and a new sense of immediacy was enjoyed by viewers throughout the country.

This was in contrast to regular programming that had to be physically transported around the country, resulting in southern regions viewing episodes one week later than their northern counterparts. However, by late 1973 all programming switched to the improved network feed and the whole country viewed each episode at the same time.

THE INTRODUCTION OF COLOUR

During the early phases of the national link in 1970, the NZBC had already begun experimenting with colour transmission. Indeed, much of the newly installed equipment had been designed and installed with PAL colour transmission in mind. This was hardly surprising as internationally it was becoming increasingly difficult to obtain black and white television equipment.

The logistical difficulties of preparing broadcasts for both mono and colour reception progressed through the early 70s. Many new dimensions had to be considered in everything being prepared for this transitionary period to ensure a quality service to viewers.

One trial involved a test of the new equipment with the shooting of a NZI commercial in colour over Queen's Birthday weekend in 1972. This was successfully completed and resulted in New Zealand's first colour commercial being broadcast over the following 12 months in black and white. However, NZI changed its advertising agency and advertising approach before the official introduction of colour on 31 October 1973, and the commercial was withdrawn before ever being broadcast in colour.

CONSUMER CHOICE: THE INTRODUCTION OF FURTHER CHANNELS

Clearly the most significant debating point in New Zealand television over the last 20 years has been in relation to extra channels. In reality though, this debate has run for over 30 years. As early as April 1964, the NZBC formally asked the Government for approval to operate a second channel. This was keenly echoed by manufacturers and retailers keen to expand their market, particularly in the Auckland area. This initiative was turned down by the Government as it firmly established that the priority should go to completing primary coverage throughout the country before any additional services were offered to the metropolitan centres.

of Northern Television (owned by Wilson & Horton publishers), broadcasts for the first time in TV2's morning zone.
Local programme: *Te Karere (News in Maori).*
Overseas programme: *Brideshead Revisited.*

1983

The Government debates Television Two going to private enterprise; High costs against low advertising revenue forces Northern Television to close down operations.
Local programme: *Close To Home finishes.*
Overseas programme: *Smiley's People.*

1984

Local programme: *Pacific Tattoo.*
Overseas programme: *Auf Wiedersehen Pet.*

1985

Local programme: *McPhail & Gadsby.*
Overseas programme: *MacGyver.*

1986

Local programme: *This Is Your Life.*
Overseas programme: *Cosby Show.*

1987

The TV3 consortium is granted a broadcast warrant.
Local programme: *America's Cup (NZ produced from Perth).*
Overseas programme: *The Flying Doctors.*

By 1970 legislative changes had paved the way for further developments in broadcasting, and the issuing of two private radio warrants in Auckland fueled the fire. The NZBC saw the opportunity and reawakened interest in a second channel by planning the introduction of a non-commercial complementary network.

The New Zealand Broadcasting Authority published a report of its enquiry into the matter in July 1971.With another election year looming, the National Government announced that the Broadcasting Authority would call for applications for a warrant to run a second national television channel in colour.

This soon became a two horse race with the NZBC's non-commercial proposal competing with the private enterprise submission from the Independent Television Corporation, headed by Gordon Dryden.

Formal hearings were scheduled for October 1972, but these were delayed because the NZBC faced a public inquiry over alleged political interference in its dismissal of the editor of *The New Zealand Listener* magazine, Alexander McLeod. This delay had huge impact on New Zealand television because before the authority could release its recommendation, the Labour Government swept into power and announced that the warrant had been awarded to the NZBC. It was only later that the Broadcasting Authority was permitted to announce its decision, revealing that it had found in Independent Television's favour but had been overruled by the incoming political party. Gordon Dryden entered into lengthy negotiations until the Labour Government accepted responsibility for the decision and paid $50,000 in compensation.

New Zealand Broadcasting Corporation's implementation of the new channel did not happen immediately though.Within a year of the announcement, the Minister of Broadcasting released a paper recommending splitting the NZBC into a broadcasting council, two television corporations and a radio corporation.

Throughout 1974, the NZBC had to contend with not only developing the second channel, but allowing for the fact that it had been legislated out of existence as well. Nevertheless, progress continued and on 1 April 1975 the NZBC ceased to exist and the television interests were replaced by Television One and the yet to broadcast Television Two. On the same day, Lower Hutt's Avalon Television Centre was opened as Television One's headquarters.

Television Two was only months away, and on 30 June the fledgling channel started in Auckland and Christchurch with about 74 hours of transmission per week.

These early days of the two channel market were fraught with political battling and intense differences between the two Government corporations. Television One had acquired rights to many popular programmes, leaving Television Two to contend with limited national penetration and the acquisition of untested programmes. Indeed, anecdotal memories from this period suggests that the American police show, *Starsky and Hutch* was the mainstay of the newcomer's schedule while other programmes struggled for acceptance with the viewing public. As a result, Television Two faced much criticism for frequent changes to its programme mix and general 'down-market' appeal

1988

Local programme: *Holmes.*
Overseas programme: *LA Law.*

1989

Revised Broadcasting Act deregulates the New Zealand market, opening up the sale of UHF television frequencies to private enterprise. This Act allows commercials on Sundays after midday, and sees the commencement of NZ On Air and the Broadcasting Standards Authority.
27 November: *TV3 commences full time broadcasting.*
Local programme: *60 Minutes.*
Overseas programme: *Roseanne.*

1990

May: *PeopleMeters introduced. Five months after start-up, TV3 goes into receivership.*
May: *SKY Network Television goes to air in Auckland with three subscription channels — Sports, News, Movies.*
Local programme: *Mobil Sport.*
Overseas programme: *The Return of Mr Bean.*

1991

June: *Canterbury Television (CTV) commences broadcasting in Christchurch. Amendment to the Broadcasting Act allows overseas investment of up to 100%.*
December: *TV3's receivership ends with investment from Canadian company CanWest Global System.*
Local programme: *Inside New Zealand.*
Overseas programme: *The Gulf War.*

— but the financial burden of establishing a new national network against the well established Television One left little choice.

This head to head competition between the state-owned channels created significant dissatisfaction among people unused to a contest for audiences.

In 1975 the National Party was again in power and quickly set about re-centralising the broadcasting functions by combining the channels into a single entity — the Broadcasting Corporation of New Zealand. This passing of the 1976 Broadcasting Act allowed Television One and Television Two (now known as South Pacific Television) to operate with the "maximum practicable independence" — which was to prove almost as difficult to define as "competitive but complementary".

This had little noticeable effect for the viewing public, and by 1979 public, political and economic forces led to the decision to amalgamate the management and resources of both channels into the newly formed Television New Zealand. This brought about obvious gains for the viewer, and true complementary programming became a reality. Television New Zealand also enjoyed the efficiencies of combining resources, while the ability to control the programme mix across both channels optimised commercial revenue from advertising. This thorough integration of the two networks still had a number of critics, particularly supporters of the sale to private interests of one of the channels.

In 1980 further interest in private enterprise television was aroused through rival newspaper groups attempting to move in on the medium. Wilson and Horton, publishers of an Auckland newspaper, led Northern Television into the fray and invested $12 million in establishing production and transmission facilities in a converted Mt Wellington studio. The other newspaper consortium combined New Zealand News Limited with Independent Newspapers Limited to form Alternative Television Network. In contrast to Northern Television, ATV focussed on the belief that New Zealand could not sustain three channels and that South Pacific Television should be sold to private enterprise.

This debate continued , and in 1984 the new Labour Government announced plans for a Royal Commission of Inquiry into the future of broadcasting. Applications were called for a third channel, with many private enterprise applicants registering interest.

In the end it was the TV3 consortium that was granted the broadcast warrant in 1987. Initially proposed as a consortium of regional channels, the finished product finally went to air on 27 November 1989 as a single network reaching 59% of the New Zealand population.

A revised Broadcasting Act came into force in 1989, which reflected the market approach of the Labour Government. It removed many of the restrictions that faced the private contenders in the previous years and abolished the Broadcasting Tribunal that was previously responsible for granting broadcast warrants. This was the beginning of deregulation and the move opened up the sale of UHF television frequencies throughout the country to private enterprise.

1992

Local programme: *Shortland Street.*
Overseas programme: *Home Improvement.*

1993

The TAB commences UHF broadcasts on Action TV.
August: *CRY TV commences broadcasting.*
September: *Mainland TV begins broadcasting.*
October: *Max TV broadcasts music videos to Auckland viewers.*
Local programme: *Mountain Dew On The Edge.*
Overseas programme: *Star Trek: The Next Generation.*

1994

Channel 2 goes to air 24 hours, seven days a week.
TVNZ announces plans for Horizon Pacific Television (four regional stations.
SKY Network Television adds another two channels — Discovery and Orange
Action TV becomes Trackside Channel.
Local programme: *Heroes.*
Overseas programme: *George Foreman/ Mike Moorer fight attracts 584,000 viewers on a Sunday afternoon.*

Early 1990 was a tumultuous period for New Zealand television. The market was still adapting to the introduction of three channels, the traditional audience measurement base changed from diary surveys to the more sophisticated PeopleMeter Measurement System and suddenly the emergence of further new operators was becoming a reality. Things came to a head in May 1990 when TV3 announced that financial difficulties had forced the company into receivership. May also saw the launch of the first UHF operator with the SKY subscription service commencing with three channels being broadcast to the Auckland market. This was broadcast in an encrypted state and required a decoder (and a current subscription) to enable viewing.

Canterbury Television became the next regional UHF operator when it started broadcasting to Christchurch in June 1991. Rising as a figurative phoenix, CTV was set up with some support from TVNZ which had closed down its Christchurch production facilities.

Meanwhile TV3 was still trading in receivership. However, a legislative change allowing overseas investment of up to 100% was passed as a 1991 amendment to the Broadcasting Act. This opened the door for the Canadian broadcaster CanWest Global System to buy a 20% share of the ailing company at the end of 1991. CanWest subsequently turned around the fortunes of TV3, which is now operating profitably.

The next major flurry of UHF activity came in 1993, with the TAB launching Action TV (horseracing coverage) on a near-national basis; Mainland TV going to air in Nelson; CRY TV going to air in Christchurch and MAX TV screening music videos to the Auckland market.

Nineteen ninety four saw SKY introducing a further entertainment channel, and taking over Action TV (under the banner of Trackside Channel) to use as a fifth channel for documentaries between free-to-air coverage of horse racing.

With many viewers now able to tune in to up to nine channels and most of the population having access to three channels, the 90s offer consumers greater choice than ever before.

Like many other countries, New Zealand has witnessed a huge change in the television environment over the last 20 years.

PENETRATION OF TELEVISION SETS INTO HOUSEHOLDS

In the year ending August 1975, an average of 11% of New Zealand households had at least one colour television set. In 1985 penetration of colour television sets reached 90%. In the last 10 years, there has been a slowing in the rate of uptake with the figure for 1993/1994 steady at 97%.

VIDEO RECORDERS

Video recorders had an initial steady increase in penetration in the early 1980s, followed by a rapid uptake in the late 1980s which took penetration past 50%. Since then, penetration has continued to grow, with the figure sitting at 72% in 1994.

REMOTE CONTROLS

A similar pattern occurred with remote controls, with the largest growth occurring between 1986 and 1989. This is almost certainly related to the increase in penetration of VCRs. Remote controls are presently in 72% of New Zealand households — the same level as VCR penetration.

MULTI-SET HOUSEHOLDS

To a lesser degree, multi-set homes (those with two or more television sets) grew in the same way, but at a lower level of penetration. From 6% in 1984, the number of multi-set homes increased to 24% in 1989, with growth continuing steadily to reach 43% in 1994.

HOUSEHOLDS RECEIVING TV3

TV3 began broadcasting in November 1989 with 59% of households receiving its signal. This increased rapidly as new areas were given access to TV3 and stood at 81% in 1991. By December 1994, this figure had increased to 93%.

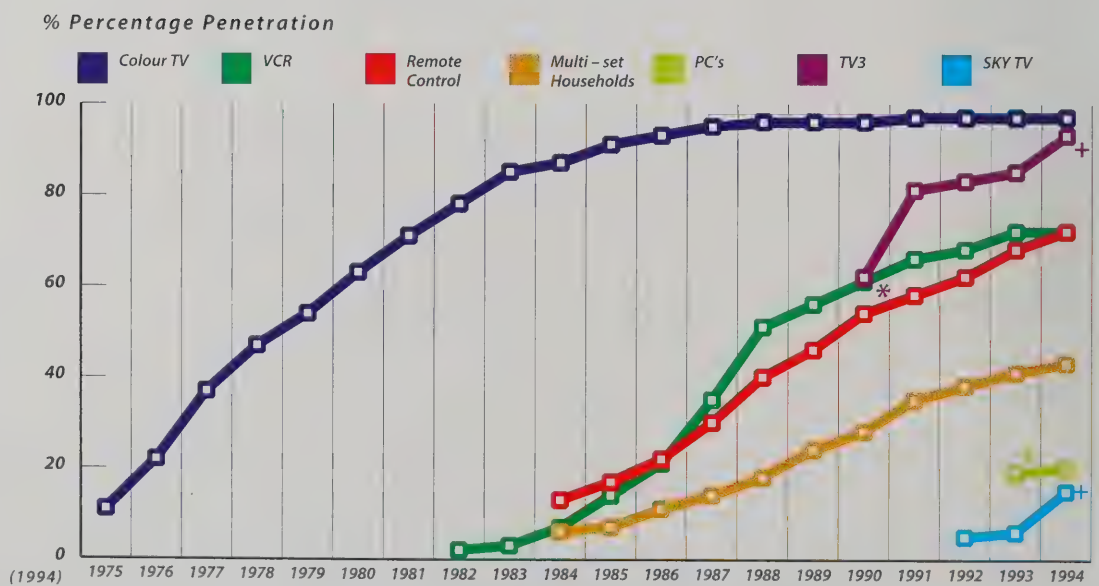
HOUSEHOLDS SUBSCRIBING TO SKY NETWORK TELEVISION

Since 1992, subscriptions to SKY Network Television have also been measured. In 1992 an average of 5% of households were subscribing to SKY. This figure reached 15% by the end of 1994.

PENETRATION OF PERSONAL COMPUTERS

In 1993, AGB McNair began measuring the penetration of personal computers. The figure for personal computer penetration stood at 20% in 1994.

(All data is based on July to August years).



The information on this graph is based on New Zealand household data, on years starting in August and ending in July.

* *First full week of TV3 broadcast*

\# *PC data not collected until 1993*

\+ *Figures as at December 1994*

COMPARATIVE STATISTICS

To allow a greater understanding of the New Zealand television market, it is useful to look at information from around the world. The charts below compare various television statistics from a random selection of countries.

COUNTRY	POPULATION *People (000's)*	POPULATION *Households (000's)*	TV *Households (000's)*	TV *Households %*	PAY/CABLE *Households %*	VCR *Households %*
New Zealand(1)	3,128	1,186	1,150	97	12	72
Australia(2)	11,718	3,988	3,988	99	0	77
Hong Kong(3)	6,100	1,677	1,650	98	25	76
Indonesia(3)	193,100	44,756	18,433	41	3	11
Malaysia(4)	15,109	3,096	2,848	92	0	41
Philippines(3)	65,600	18,000	1,623	9	<6	39
South Korea(3)	44,400	*2,815	2,815	100	0	77
Singapore(3)	3,100	779	779	100	<5	84
Taiwan(3)	21,000	5,464	5,410	99	58	80
Thailand(3)	59,500	12,934	11,914	92	<1	20
United Kingdom(5)	53,967	22,950	22,293	97	16	74
United States(6)	249,280	97,060	95,400	98	62	78

COUNTRY	MULTI-SET *Households %*	REMOTE CONTROL *Households %*	TIME SPENT VIEWING PER DAY *People (All Day)*	NO. OF CHANNELS	TELEVISION SHARE OF ADVERTISING REVENUE
New Zealand(1)	43	72	2hrs 42mins (1994)	12	37%
Australia(2)	55	43	3hrs 3mins (1993)	5	23%
Hong Kong(3)	28	75	3hrs (1993)	4	43%
Indonesia(3)	7	16	3hrs 30mins (1993)	6	46%
Malaysia(4)	8	15	2hrs 18mins (1993)	3	40%
Philippines(3)	27	37	2hrs 42mins (1993)	9	75%
South Korea(3)	37	82	2hrs 48mins (1993)	6	29%
Singapore(3)	37	75	2hrs 12mins (1993)	3	32%
Taiwan(3)	57	91	2hrs 12mins (Oct 1994)	3	34%
Thailand(3)	14	27	2hrs 6mins (1993)	5	50%
United Kingdom(5)	52	81	3hrs 40mins (1993)	23	28%
United States(6)	70	90	4hrs 6mins (1993)	1688	25%

Sources: 1: AGB McNair 2: A C Nielsen (Australia) 3: Survey Research Group — Hong Kong 4: Survey Research Malaysia 5: BARB/Taylor Nelson AGB 6: A C Nielsen (USA)

Notes on data: Indonesia is extrapolated from known urban figures
Philippines = Metro Manila
**Southern Korea = Greater Seoul*
UK Channels figure is for those measured in audience research

TVNZ COMPANY PROFILE

In operation since 1960, TVNZ is a fully commercial broadcaster with two nationwide free-to-air VHF networks (Television ONE and Channel 2) in New Zealand. The company is a state-owned enterprise (SOE) headquartered in Auckland. A total of 850 translators and transmitters on 500 sites around the country carry the signals of Television ONE and Channel 2 to virtually all of New Zealand's 1.2 million households. Through a combination of satellite and tape delivery, TVNZ Pacific Service also provides a television service to seven South Pacific nations. An around-the-clock worldwide satellite network enables TVNZ to receive and distribute programmes worldwide, as well as meet other broadcasters' service requirements.

TVNZ Television's vehicle for success is a unique system of complementary, two channel programming. Central to this strategy is the careful research of audiences. Television ONE caters for the viewer wanting a strong, information-based service with quality entertainment, sports and drama. Its target audience is 25-54 year olds. Channel 2 offers viewers a schedule drawn from the best available local and international programmes. Its target audience is 18-44 year olds. In response to changing New Zealand lifestyles and viewing habits, Channel 2 increased its 24 hour transmission from four days a week to seven days in October 1994. Late night viewing on Channel 2 consists of a broad mix of movies, miniseries, talkshows, documentaries, dramas, comedies, soaps and music programmes. From March 1995, Television ONE is set to broadcast the BBC World Service overnight, making it a 24 hour service also.

TVNZ's news and current affairs department was established as a separate business unit in 1994, positioning it for significant developments in information provision in the future, such as convergence, information superhighways and news on demand.

Education Television (eTV), a relatively new morning service on Television ONE, aims to help meet the growing need for life-long learning resources. Included in eTV's schedule are programmes about Asia, the environment, retirement lifestyles, French, Maori, Mandarin, Japanese, Spanish, business, science, technology and marketing.

Another television service TVNZ offers viewers is Teletext, which provides mainstream news, information and trading data to over 500,000 people. The introduction of new technology enabled faster information access, home shopping, new recording options and a widening of the subtitling services for hearing-impaired viewers in 1994.

TVNZ Enterprises markets and merchandises a range of TVNZ-related goods, including the official *Shortland Street* magazine, *Palmers Garden Show* videos and TVNZ-branded goods.

TVNZ subsidiary Moving Pictures provides live coverage of major sports and special events. Eighty percent of Moving Pictures' work is outside broadcasts via a fleet of production vehicles equipped with cameras, link equipment and mobile studios.

Working with some of New Zealand's most talented producers and directors and accessing the public broadcasting fee through NZ On Air, TVNZ produces top quality local programmes through various production facilities.

Auckland subsidiary South Pacific Pictures (whose productions include the high-rating *Shortland Street*) has developed an enviable track record for producing family and adventure programmes, often through joint ventures with overseas companies. TVNZ's main production facility is Wellington's Avalon Studios, the largest television studios in Australasia. Avalon was divided into six distinct businesses in 1993, reflecting its role as a provider of specialist services, each with a diverse customer base and client service requirement.

In Dunedin, TVNZ Natural History is one of the world's leading producers of wildlife programmes. Funding is actively sought for co-productions in Europe, the United States, Asia and the United Kingdom.

TVNZ also owns and operates its own transmission system covering 99% of New Zealand through Broadcast Communications Ltd. BCL provides transmission services to a number of other broadcast organisations, including TV3, FM radio, SKY, Horizon Pacific Television and the TAB. The company is actively involved in developing satellite, cable and microwave distribution systems in the Asia-Pacific region.

TVNZ also has investments in a number of other tele-communications/broadcast companies. These are Horizon Pacific Television Ltd, a regional television company which is launching four regional UHF free-to-air stations in 1995; CLEAR Communications, the country's second largest telecommunications carrier; SKY Network Television, the first pay service operator; Asia Business News, Asia's first all business news channel based in Singapore and Fiji TV. In ABN and FTV's case, TVNZ was responsible for the establishment of new stations.

ONE
TELEVISION ONE
COVERAGE AREA
Northern
Central
Southern
WHANGAREI
AUCKLAND
HAMILTON
TAURANGA
ROTORUA
TAUMARUNUI
TURANGI
GISBORNE
NEW PLYMOUTH
NAPIER
HASTINGS
PALMERSTON NORTH
WAIOURU
NELSON
WELLINGTON
BLENHEIM
GREYMOUTH
CHRISTCHURCH
TIMARU
UEENSTOWN
OMARU
DUNEDIN
INVERCARGILL
STEWART ISLAND
WHANGAREI
AUCKLAND
PUKEKOHE
THAMES
HAMILTON
TAURANGA
TAUMARUNUI
ROTORUA
TURANGI
GISBORNE
NEW PLYMOUTH
NAPIER
HASTINGS
OTAKI
PORIRUA
NELSON
UPPER HUTT
LOWER HUTT
WELLINGTON
BLENHEIM
GREYMOUTH
WAIAU
CHRISTCHURCH
TIMARU
QUEENSTOWN
OAMARU
DUNEDIN
INVERCARGILL
STEWART ISLAND
Auckland
Hamilton
Palmerston North
Wellington
Christchurch
Dunedin
CHANNEL 2
COVERAGE AREA

TV3 COMPANY PROFILE

TV3 is New Zealand's only privately owned and operated national television service. From its broadcast centre located in Auckland, TV3 distributes its signal to over 93% of New Zealand with plans to increase this to over 97% by early 1996.

CORPORATE STRUCTURE AND HISTORY

TV3's 20% shareholder, Canadian broadcaster CanWest Global Communications Corp, manages the operations of TV3. TV3's other major shareholder is Westpac Bank. CanWest has an option to purchase an additional 30% of TV3 from Westpac.

TV3 began broadcasting in November 1989 and was soon in financial difficulty, partly because original audience estimates were not realised. The Company's banker, Westpac, appointed a receiver/manager who embarked on an international search for a broadcaster with experience in troubled television operations.

CanWest invested in TV3 in December 1991 and took over management in early 1992. After restructuring, TV3 became profitable in July 1992. TV3's financial strength has improved month by month and the company is now in a position to explore new investment opportunities in New Zealand.

PROGRAMMING

TV3 provides a broad range of programming including news and current affairs, sport, documentaries, dramas, comedies, children's programmes and movies.

News bureaux in Wellington, Christchurch and Dunedin augment the main Auckland news Centre to produce *3 National News*. Internationally TV3 has news offices in Sydney, London, Washington and Los Angeles. The cornerstone of TV3's primetime schedule, *3 National News* has grown in popularity and credibility over the past year.

The weekly current affairs programme *20/20* keeps viewers informed with controversial in-depth stories and interviews. The independently produced, NZ on Air-funded documentary series *Inside New Zealand* adds to TV3's important line-up of news and information programming.

With a stable of popular US, British and Australian comedies, TV3 has been instrumental in developing local comedy productions. In 1994 TV3 introduced audiences to the irreverant *Skitz* troup, and the wacky *Neighbourhood Network*.

TV3 also reunited New Zealand's highly successful comedians in *That Comedy Show*. New Zealand's own sitcom, *Melody Rules*, is scheduled for broadcast on TV3 in early 1995.

Drama forms an important part of TV3's schedule. From the ground-breaking series *NYPD Blue*, to the locally produced drama *Cover Story*, TV3 provides a wide range of dramatic fare for its audience. *Melrose Place* and *Beverly Hills 90210* provide internationally popular variety in an entertaining and successful style.

Locally produced children's programmes such as *You & Me* and *Forest Tiki Tiki Gang* are designed to educate while entertaining pre-schoolers. Funded by NZ On Air, TV3 provides commercial-free airtime twice a day during weekdays for this important programming. Other locally produced programmes aimed at teenage audiences are broadcast in weekend timeslots. TV3 also has a full range of Disney animated and children's movie productions.

TV3 is proud of its presentation of sporting events, from its coverage of mainstream New Zealand sports such as cricket and motor racing to more specialised sport such as aerobics.

For the sporting codes to which TV3 holds the rights, the network puts all its promotional, production and scheduling resources behind the development of the code. Hence, Summer of Cricket takes prominence in TV3's schedule over the summer months so New Zealand viewers can follow their favourite team, no matter what the outcome.

PRODUCTION FACILITIES

TV3 devotes most of its energies to broadcasting, therefore its production facilities are limited to those required for its news, current affairs and sports productions. For this reason, TV3 is a strong supporter of New Zealand's independent production community. Independent producers not only contribute to TV3's local production schedule but offer valuable ideas and concepts for future programme productions.

STAFF

With a full time complement of 250 employees and 40 part-time employees, TV3 staffs its news bureaux as well as separate sales offices in Auckland, Wellington, Hamilton and Christchurch. Most staff are trained on-site with some coming to TV3 with television production or journalism experience. Staff are not unionised and enjoy an informal, yet challenging and rewarding working environment.

TRANSMISSION FACILITIES

TV3 broadcasts much of its signal from locations owned and operated by Broadcast Communications Limited (BCL), a wholly owned TVNZ subsidiary. Through a combination of BCL and Telecom supplied links, the TV3 signal is distributed to over 170 transmission sites throughout the country.

With funding assistance from NZ On Air, TV3 will be able to transmit its signal to several of the country's remote regions by early 1996. This will bring TV3's signal coverage to over 97% of the country's population.

TV3 COVERAGE AREA

Northern

Waikato

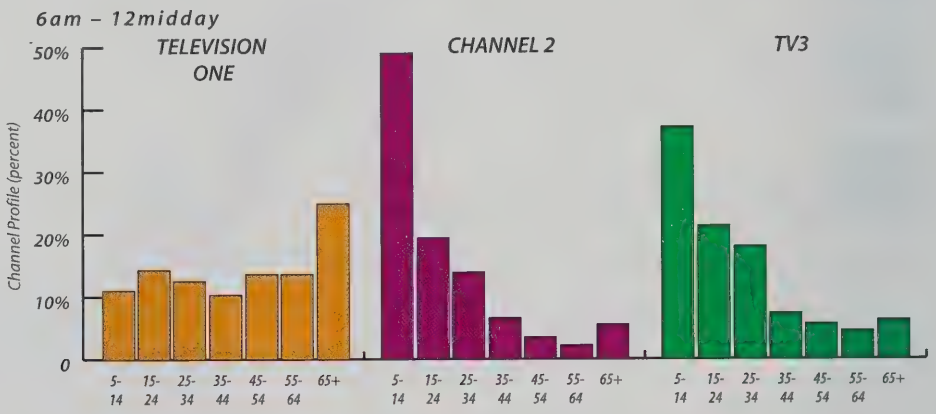
Central

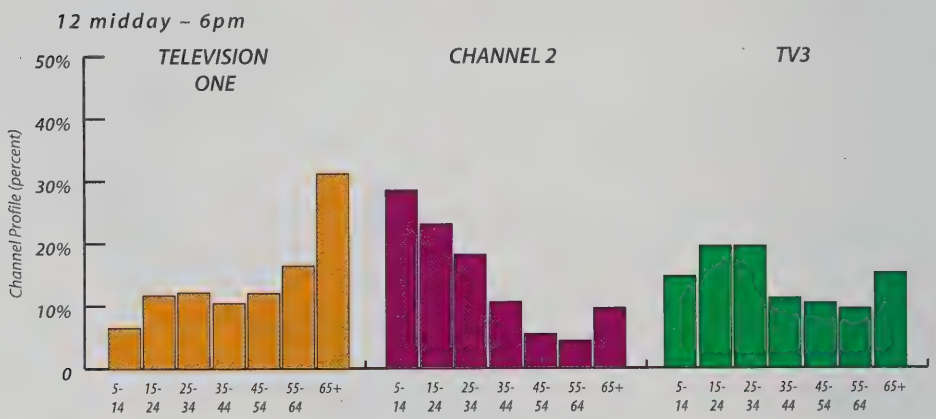
Southern

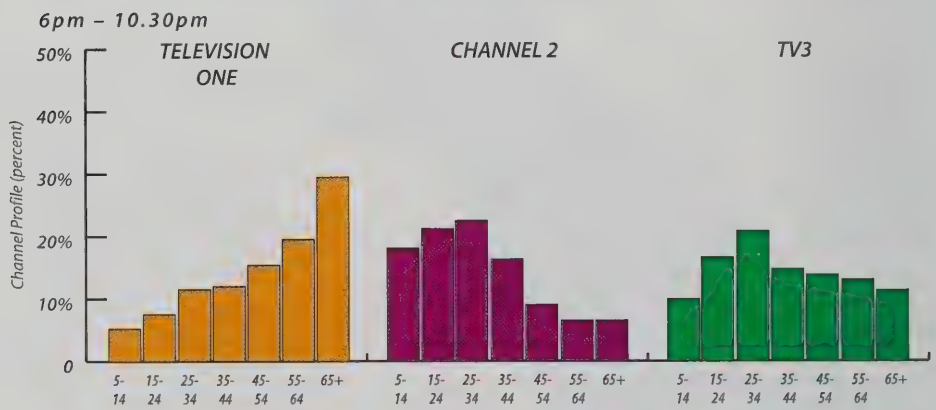
While TVNZ and TV3 are national broadcasters, they can also split their transmission into separate regions. This means advertisers have the option to advertise either in specific areas or nationally.

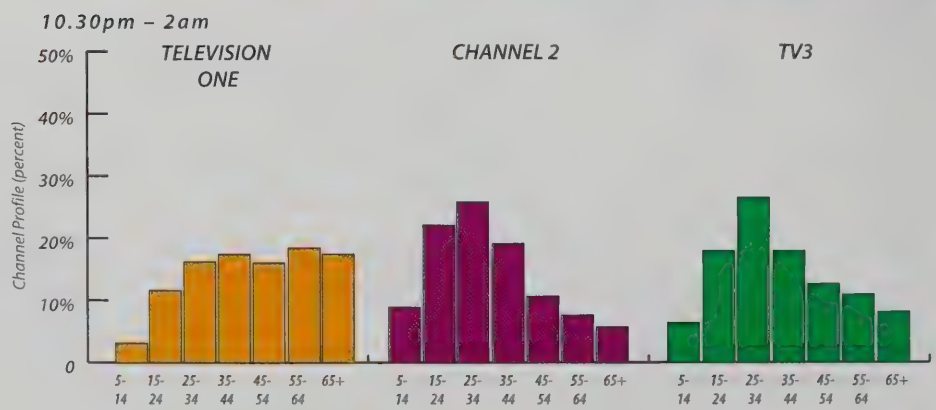
These maps (also page 21) reflect the regional transmission areas that are available on the individual channels.

Each of the main broadcast channels in New Zealand has a core audience category to whom it is targeted. Channel profiles show the composition of the audience to each of the channels. In this case it is done by age group from 5 years upwards. The time zones used are across the whole of 1994 with the 18.00 to 22.30 time zone being peak viewing.









	5 – 14	15 – 24
Pot.(000)	508	554
Sample	198	120
	25 – 34	35 – 44
Pot.(000)	544	491
Sample	151	152
	45 – 54	55 – 64
Pot.(000)	364	312
Sample	144	110
	65+	
Pot.(000)	354	
Sample	125	

AGB : McNair Dataline Service

NEW ENTRANTS

Since the New Zealand market was deregulated in 1989, New Zealanders have enjoyed a wider range of viewing options, with a number of new television companies entering the market.

CANTERBURY TELEVISION (CTV)

Canterbury Television Limited (CTV) was the first regional television station established in New Zealand. CTV began broadcasting in June 1991 and its footprint in Canterbury covers over 300,000 people.

CTV broadcasts mainstream programming from 5.00pm to midnight seven days per week and transmits tourist information during day-time hours.

Producing around 80% of its own material, CTV's schedule aims to bring viewers information and entertainment relevant to their community.

CTV's flagship programme is *CTV's World Tonight*, a 90 minute mix of news, current affairs and feature items. In 1994 it included national news material sourced from TVNZ and international material sourced from Wellington. CTV also produces a range of lifestyle programmes including *Odering's Homes and Gardens*. In 1994 CTV produced 30 minute series on fashion, cooking, business, music and the arts.

Sport is another major genre for CTV, which screens *DB Sport*, a 60 minute weekly magazine/talk back show; *Full Time*, a 30 minute weekly analysis of the weekend's play and *CTVSKI*. The sports schedule in 1994 also included series on pool and motor racing, documentary-style coverage of major events such as the Coast to Coast endurance race and an eight part sports quiz.

CTV buys its imported programming independently and has sourced material from most international distributors over the past four years. *The World at War* and *The Jewel in the Crown* were two of 1994's highly successful series. Comedy, documentary and drama strands are also regularly scheduled.

CTV's production wing, Gloucester Productions Limited, makes television commercials, corporate videos, provides facilities and crews for outside clients and offers access to its tape archive to other production houses.

CTV owns frequencies in Nelson (with Bays Television), Timaru, Dunedin and Invercargill. At the end of 1994 it was broadcasting into Nelson, and expecting to commence transmission in Timaru early in 1995.

CRY TELEVISION

CRY Television is a free to air, interactive regional television station that uses music as its programming base. The station's programming consists of 90% formatted music video clips (including 30% New Zealand music content), with the remaining 10% comprising a mixture of local live to air, interactive 'experience near' programming which provides viewers with the opportunity to participate in live interviews and select programmes.

Broadcasting in the Christchurch area, CRY Television does not programme specialist music shows but rather plays a variety of music styles across its programming, including contemporary rock, classic rock, country, blues and jazz chart music and new release material.

This programming style has been adopted deliberately to broaden CRY Television's viewership and appeal to a wider range of viewers. About 60% of CRY's viewership is made up of those over the age of 21. CRY Television has an approximate weekly cumulative audience of 91,000 between the ages of 10 and 45 (source: AGB McNair).

HORIZON PACIFIC
Television

HORIZON PACIFIC TELEVISION

In 1994 Horizon Pacific Television was gearing up to establish four city-based UHF television stations to service New Zealand's main centres. With the intention of launching them in March 1995, planners were looking at a daily eight hour programming schedule of quality news and information programming with features aimed principally at viewers aged 25 to 59 years. The stations will have a strong local programming focus, with about 30% of their prime-time programming being locally based news and current affairs features.

Horizon Pacific Television, a wholly owned subsidiary of Television New Zealand Limited, will broadcast to approximately 1.4 million people (about 40% of New Zealand's population) in the greater Auckland city area, the Waikato region and the Western Bay of Plenty, the greater Wellington city area and Dunedin city.

A typical prime-time schedule will consist of news and marketplace information between 6.00pm and 7.00pm and a locally anchored half-hour news show between 7.00pm and 7.30pm. Most nights there will be a 30 minute current affairs show with a strong local focus between 7.30pm and 8.00pm. At 8.00pm the channels will switch to a live satellite-delivered world bulletin from the BBC World Service and from then until 10.30pm programming will move into quality documentaries, dramas, miniseries, movies and other information programming.

Mainland*television*

MAINLAND TELEVISION

Mainland Television Ltd went to air on 17 September 1993, broadcasting 24 hours a day on UHF channel 61. Covering the northern end of the South Island — from Kaikoura/Greymouth north —the network aims to provide positive local content to viewers, including a wide range of music, local sport and entertainment, tourist and visitor guides to the regions and a platform for the local community to address itself. Mainland Television is owned by Christine Watson and Nelson Marketing & Business Consultants.

The projected programme content is 70% music, 20% local content and the balance miscellaneous. The target audience varies as the day goes on. The age group targeted between 4.00pm and 7.00pm is 14 to 25 year olds with Top 40 music. Between 7.00pm and 10.00pm the channel targets a wider age group of 25 to 55 year olds with classic hits. After 10.00pm the target audience is 15 to 35 year olds with Top 40 and alternative music.

In 1994 Mainland Television broadcast to over 120,000 households, with plans to increase coverage to over 280,000 homes in 1995 when extra translators are commissioned. The station operates a free-to-air service and is supported by advertising which consists of 40% local and 60% national.

Max
THE MUSIC CHANNEL

MAX THE MUSIC CHANNEL

Broadcasting on UHF bands 49,57 and 59, Max The Music Channel (or 'The Max' to its friends), took to the airwaves on 28 October 1993.

With a mixture of blues, beats, loops, loud rock, new rock, classics, talkback, sportstalk, and 'Box Dog' (Box Dog needs to be encountered rather than explained), Max feeds Auckland's appetite for music television 76 hours per week. Its commitment is to playing the best variety of the best music in the world, with a deep-seated faith in the international standard of New Zealand's musicians and music clip makers.

While appealing to music lovers of all descriptions, its primary target audience is 15 to 29 year olds.

SKY NETWORK TELEVISION

SKY Network Television Ltd began transmission on UHF on 18 May 1990, becoming New Zealand's first Pay TV Network. It began with three channels — news, sport and movies.

Originally servicing the Auckland region, SKY has expanded its transmission coverage to Waikato, Hawkes Bay, Manawatu, Wellington, Canterbury, Dunedin and Invercargill. At the end of 1994 SKY's signal was capable of reaching 810,000 homes in New Zealand. It hopes to increase coverage to 900,000 homes by the end of 1995 with long term plans to reach all New Zealand homes.

After one year's operation, SKY had a subscriber base of 18,000 households, which nearly trebled to 53,000 by April 1992. In April 1993, SKY's subscriber base was up to 90,000 and by June of that year, it topped the 100,000 mark.

With a subscriber base of 175,000 New Zealand homes and a potential audience of over half a million people, SKY is one of the fastest growing Pay TV channels in the world.

In addition to HBO (movies), the Sports Channel and CNN (News), SKY operates a fourth channel incorporating Trackside racing (see right) and the Discovery channel (documentaries). On 2 December 1994, SKY launched a fifth channel – 'Orange' – with a family oriented schedule.

SKY ownership is broken down into the following shareholdings:-

HKP Partners of New Zealand Limited	51%
(Partnership comprising Time Warner, Telecommunications Inc, Bell Atlantic, Ameritech)	
TVNZ	16.3%
Heatley/Jarvis Investment	15.9%
Todd Corporation	8.8%
Trappenden Holdings	7.5%
Trevor Farmer	
Alan Gibbs	
ESPN	0.5%

TRACKSIDE CHANNEL

Previously known as Action TV, Trackside Channel was launched in October 1994 on SKY Network Television.

Trackside Channel has the objective of bringing free live-to-view racing to existing and potential race goers. Trackside Channel is totally owned by the TAB on behalf of the New Zealand Racing Industry, and is the world's only free-to-air TV channel devoted exclusively to live racing.

Trackside Channel broadcasts free-to-air on SKY for nearly 40 hours every week. SKY programming before and after Trackside Channel is encoded, and only those viewers who subscribe to SKY receive an unscrambled picture. Outside of Trackside Channel hours, SKY subscribers receive the Discovery Channel (documentaries).

Future expansion of the channel's coverage area includes Northland, Taupo, Taranaki and Wairarapa. Coverage of these areas represents over 75% of the country's population or a potential reach of 1.7 million people aged 18 years and over.

Average weekly cumulative in-home audience is in excess of 110,000 people, or approximately 240,000 people every month (source: AGB McNair). Out of home viewing at TAB Race Places, Pub TABs, sports clubs and racetracks is conservatively estimated to be at least equivalent to in-home viewing numbers. The audience mix is 42% female and 58% male. Eighty-six percent of the audience is aged 35 plus and in Socioeconomic groups 1-4 (source: AGB McNair).

The Channel broadcasts up to five days a week and features live racing, regional previews of feature races and interviews with well-known trainers. In addition, magazine segments such as Aussie Watch, Trials (a round-up of star performing gallopers of the week) and Trackside News, a magazine item of the past week's racing in New Zealand and overseas, are televised every week. Live racing from Australia is carried three to four days a week.

CENSUS INFORMATION

A Census of Population and Dwellings is taken every five years under the authority of Section 23 (1) of the Statistics Act 1975. The purpose of the Census is to collect demographic and social statistics that can be used by the Government, local authorities, businesses and community organisations for policy setting, planning and other decision making. Statistics from the Census are published in a manner that prevents particulars about any individual or household being identified.

POPULATION OF REGIONAL COUNCILS

REGIONAL COUNCIL	CENSUS OF POPULATION 1986 (1)	CENSUS OF POPULATION 1991 (2)	ESTIMATED AT 31ST MARCH 1994 (3)	ESTIMATED POPULATION CHANGE 1993-1994 (4) NUMBER	%
NORTH ISLAND					
Northland	127,656	131,620	135,400	1,400	1.0
Auckland	881,011	953,980	1,002,700	20,700	2.1
Waikato	325,220	338,959	348,200	3,600	1.0
Bay of Plenty	194,622	208,163	217,700	3,900	1.8
Gisborne	45,953	44,387	44,400	-	-
Hawkes Bay	140,844	139,479	141,000	900	0.6
Taranaki	107,499	107,222	107,900	400	0.4
Manawatu-Wanganui	223,021	226,616	232,500	1,800	0.8
Wellington	395,610	402,892	410,000	3,000	0.7
TOTAL NORTH ISLAND (5)	**2,441,615**	**2,553,413**	**2,639,900**	**35,800**	**1.4**
SOUTH ISLAND					
Tasman	33,729	36,416	38,000	700	1.9
Nelson	36,047	38,003	40,300	900	2.3
Marlborough	34,854	36,765	38,300	600	1.6
West Coast	34,984	33,961	33,800	100	0.3
Canterbury	436,553	446,114	458,800	7,100	1.6
Otago	183,005	186,067	189,100	2,200	1.2
Southland	105,512	103,442	102,600	-	-
TOTAL SOUTH ISLAND (6)	**865,469**	**881,537**	**901,700**	**11,600**	**1.3**
TOTAL NEW ZEALAND	**3,307,084**	**3,434,950**	**3,541,600**	**47,300**	**1.4**

FOOTNOTES: 1 Held 4 March 1986 2 Held 5 March

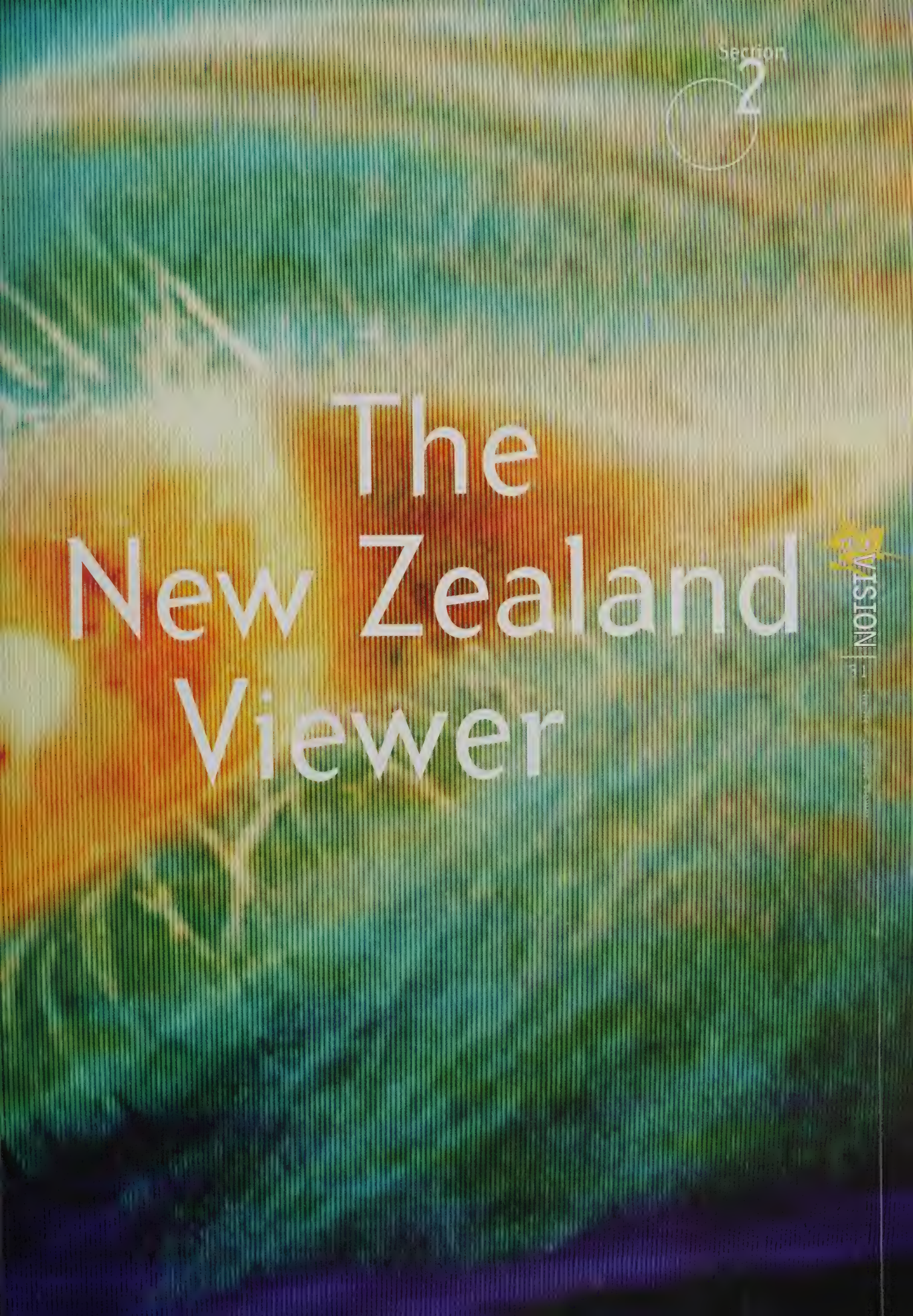
ESTIMATED AGE DISTRIBUTION OF TOTAL NEW ZEALAND POPULATION (AS AT 31 MARCH 1994)

AGE GROUP (YEARS)	MALES	FEMALES	TOTAL
Under 5	150,090	143,270	293,370
5-9	137,950	132,370	270,320
10-14	130,010	126,010	256,020
15-19	135,480	130,720	266,200
20-24	144,710	144,330	289,040
25-29	127,720	134,470	262,190
30-34	144,390	150,620	295,010
35-39	134,110	139,110	273,220
40-44	114,980	120,750	235,740
45-49	107,590	109,900	217,490
50-54	94,050	86,120	180,170
55-59	72,820	73,900	146,720
60-64	73,800	66,760	140,560
65-69	66,870	69,980	136,850
70-74	49,620	61,050	110,670
75-79	32,470	46,120	78,590
80+	30,270	59,210	89,470
TOTAL	**1,746,900**	**1,794,700**	**3,541,600**

Note: *Owing to rounding, individual figures do not always sum to give the stated totals.* ***Source:*** *Statistics New Zealand*

NEW ZEALAND REGIONAL COUNCILS

(See population statistics on page 28)


Section 2
The New Zealand Viewer
VISION

PEAK (18.00 TO 22.30) AVERAGE AUDIENCES

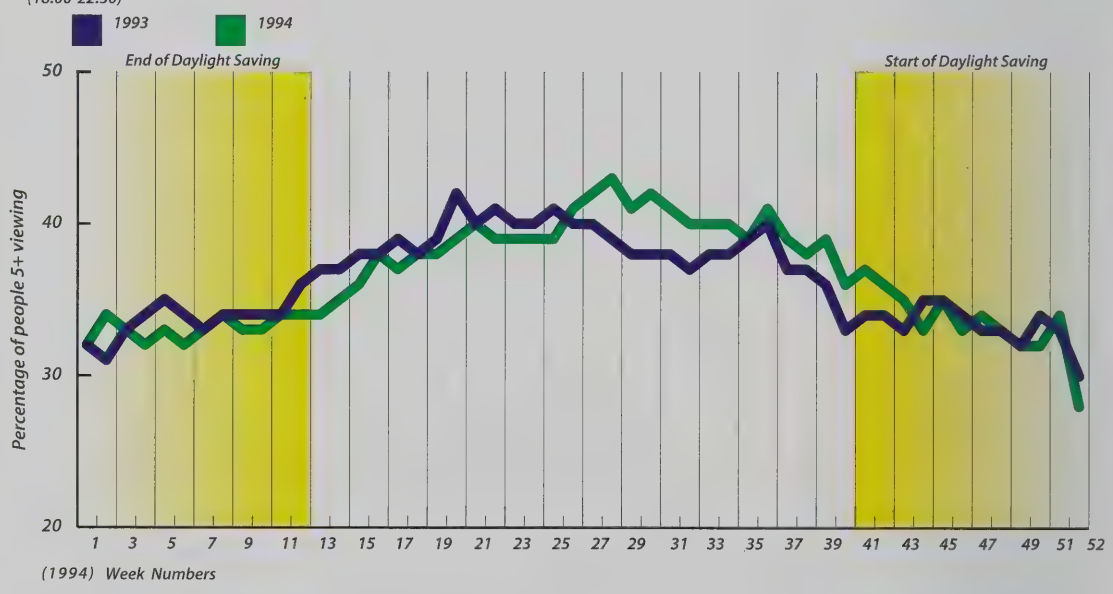
One of the benefits of the PeopleMeter service is that it enables, through continuous data collection, the measurement of trends in viewing over time. This series of graphs shows a comparison of the peak (18.00 to 22.30) average audiences by week for All People 5 years and over (All 5+) and 18 to 54 year olds for 1993 and 1994.

The average audience level is shown as a percentage of the total potential audience. This is also known as a rating.

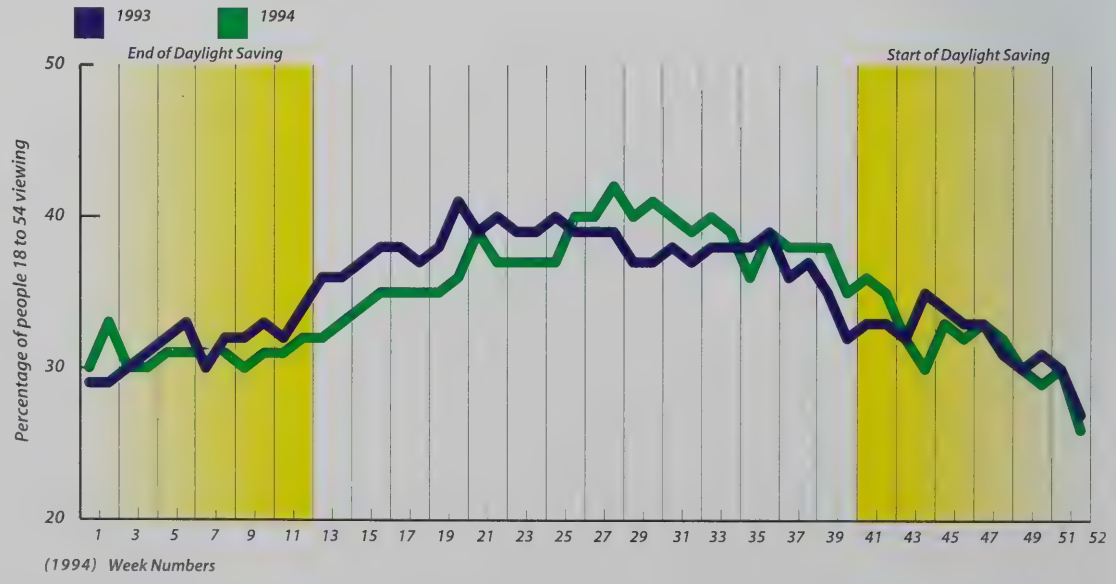
Key points to note are:-

- The difference in the viewing audience in the Daylight Saving (summer) period and the winter period.
- The higher levels of average audience in the latter half of 1994 when compared to 1993.

Peak Average Audiences 1993 vs 1994, All Channels, All 5+
(18.00-22.30)


1993
1994
End of Daylight Saving
Start of Daylight Saving
Percentage of people 5+ viewing
50
40
30
20
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51 52
(1994) Week Numbers

Peak Average Audiences 1993 vs 1994, All Channels, All 18 to 54
(18.00-22.30)


1993
1994
End of Daylight Saving
Start of Daylight Saving
Percentage of people 18 to 54 viewing
50
40
30
20
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51 52
(1994) Week Numbers

Source: AGB McNair

AVERAGE DAILY TIME SPENT VIEWING

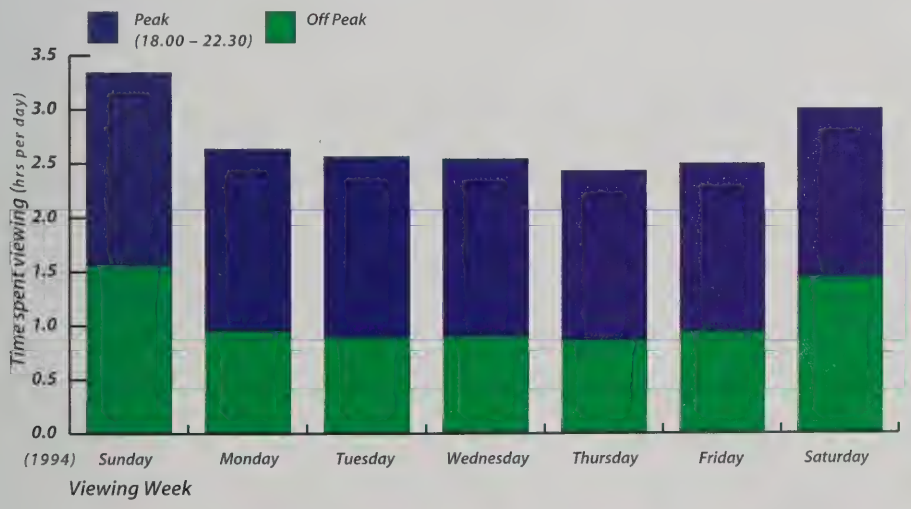
On average across the whole of 1994, the average New Zealander aged 5 years and over (All 5+) watched 2.70 hours of live television per day (this figure includes all channels but does not include VCR playback of in-home recorded or hired video tapes). For 18 to 54 year olds the figure was 1.42 hours.

The graphs below show, for both audience categories, the time spent viewing by day across the week for 1994. There are two figures shown, one for peak (18.00 to 22.30) and one for off-peak which, when combined, show the total time spent viewing.

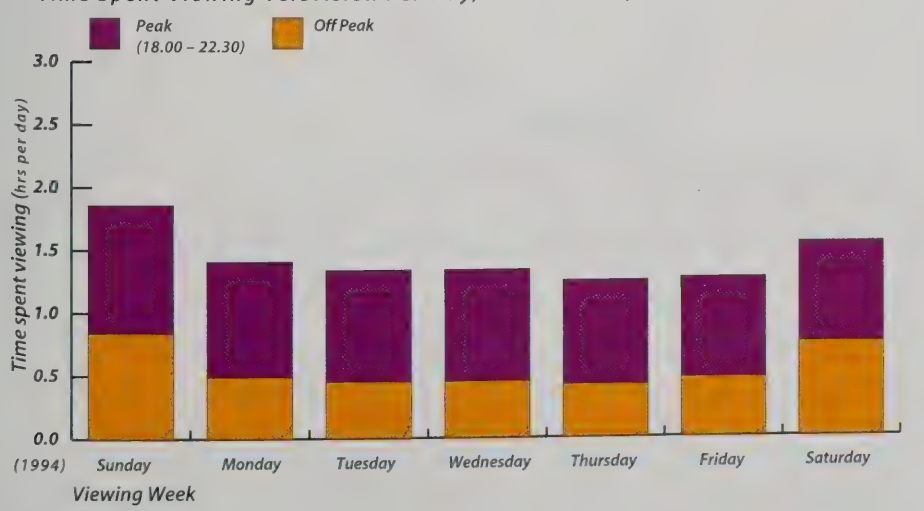
In both cases, the peak component makes up over half of each day's time spent viewing.

Peak viewing was at its highest on Sunday. Off-peak viewing was highest for both audiences on Sunday and Saturday. This contributed to these days of the week having the highest time spent viewing. The rest of the week had the lowest viewing on Thursday and Friday with Monday being the highest.

Time Spent Viewing Television Per Day, All Channels, All 5+



Time Spent Viewing Television Per Day, All Channels, All 18 to 54



Source: AGB McNair

AVERAGE VIEWING LEVELS THROUGH THE DAY

As we have seen in the previous section on time spent viewing, there are some marked differences in viewing levels between the total All 5+ audience and the 18 to 54 year olds. There are also marked differences by day of the week. To illustrate this point further, the patterns of average viewing levels for 1994 have been analysed across the day. This information is for 'live' viewing only, i.e. it does not include VCR playback.

The graphs on this page and page 35 show by quarter hour periods, from 6.00 to 02.00, the average audience level to all television channels for All 5+ and 18 to 54 year olds.

The average viewing level is shown as a percentage of the total population and there is one line for Sunday, one for Saturday and one for all Weekdays averaged together.

SUNDAY ALL 5+

Sundays in 1994, as seen previously, were the highest viewing day of the week. From 12.00 until 22.15, the viewing was higher than either Saturdays or weekdays. The peak of viewing on Sunday was between 20.00 and 20.30 when an average 45% of people 5+ were watching television.

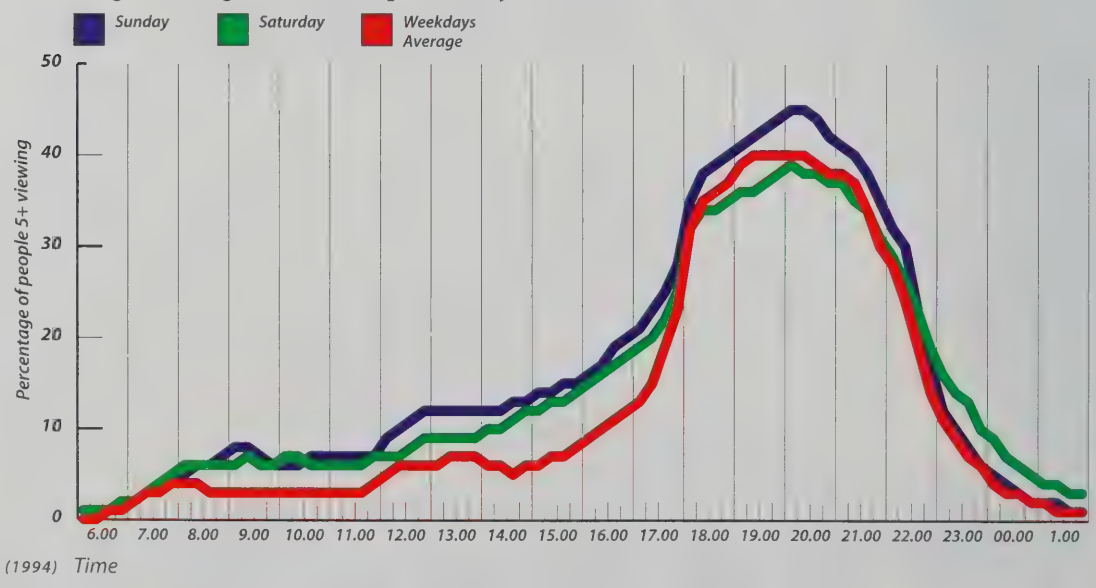
Morning viewing levels matched Saturday but exceeded weekdays, whilst late night viewing tailed off quickly from 21.30 following a similar pattern to weekday viewing.

SATURDAY ALL 5+

Daytime viewing levels on Saturday built in the morning to a steady 5% to 7% of people viewing between 8.00 and 12.00. From there, viewing increased to a peak of 39% at 20.00 well below the Sunday figure of 45%.

Saturday had, relative to the other days, a strong late night performance with a more gradual drop in audience after 22.00.

Average Viewing Levels Through The Day, All Channels, All 5+



Source: AGB McNair

WEEKDAYS ALL 5+

During the week, morning viewing levels showed a small peak at 8.00 then fell slightly before increasing from 11.00 onwards.

From 15.00 this increase was gradual up until 17.15 when viewing levels grew rapidly to 32% at 18.00.

The peak of viewing for weekdays was 40% in the period from 19.15 to 20.15. This full hour of peak audience was quite different to Sunday and Saturday where there was no more than half an hour at peak levels of audience.

From 21.30 onwards viewing decreased rapidly before smoothing out at around midnight.

SUNDAY 18 TO 54 YEAR OLDS

As with the All 5+ viewing levels across 1994, 18 to 54 year olds had their highest viewing levels on Sundays.

From a gradual increase across the morning period, from 14.00 onwards, audiences grew more rapidly to reach a peak of 45% for over one hour between 20.00 and 21.15. This Sunday peak was in excess of the other days of the week and remained higher until 22.30.

SATURDAY 18 TO 54 YEAR OLDS

Daytime viewing on Saturdays was lower than Sundays, being up to 2% lower between 9.00 and 17.00.

At that point the viewing levels were similar before the build to peak viewing. Saturdays peak of 34% occurred between 20.00 and 21.15, the same period as Sunday. From 22.30 until 02.00, Saturday's late night viewing was the highest of all days of the week.

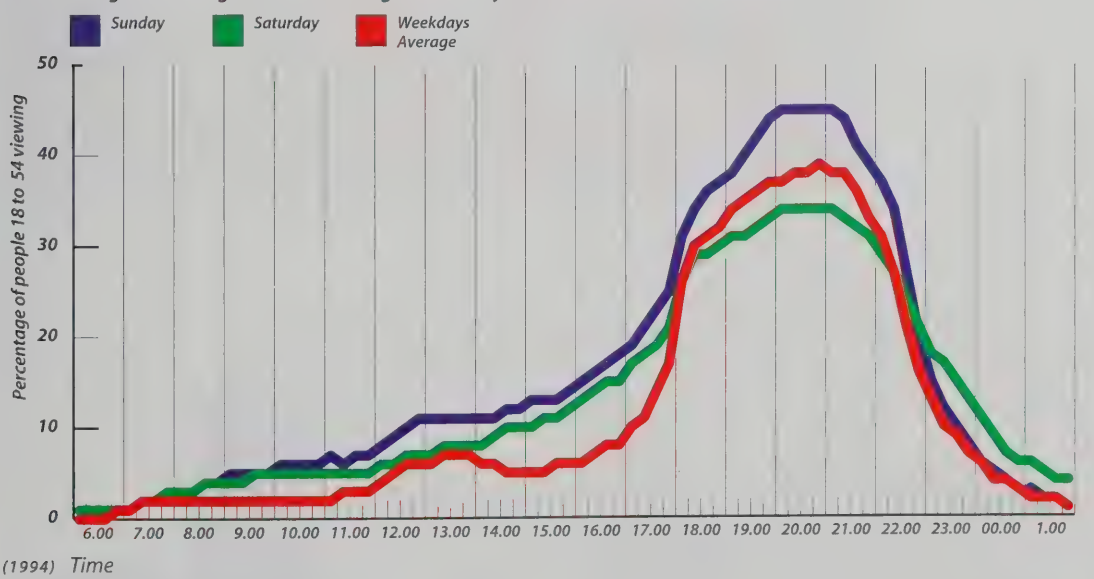
WEEKDAYS 18 TO 54

In a similar way to All 5+ viewing, daytime levels for 18 to 54s on weekdays were below the average for Saturday and Sunday. An early afternoon lift in viewing between 13.00 and 14.00 was followed by a small decline before audiences grew as the afternoon progressed.

From 18.15 to 22.15 weekday viewing levels, whilst being well below Sunday, were higher than Saturday, with a peak of 29% at 20.45.

For this category, the quarter hour commencing 22.15 was the start of audience levels falling at a similar rate to Sunday.

Average Viewing Levels Through The Day, All Channels, All 18 to 54



Source: AGB McNair

VIDEO RECORDING AND PLAYBACK

Whilst it is not reported in standard analyses of PeopleMeter data, the AGB McNair PeopleMeter panel also collects information on the usage of video recorders. The graphs on these pages give an insight into how people use their video recorders.

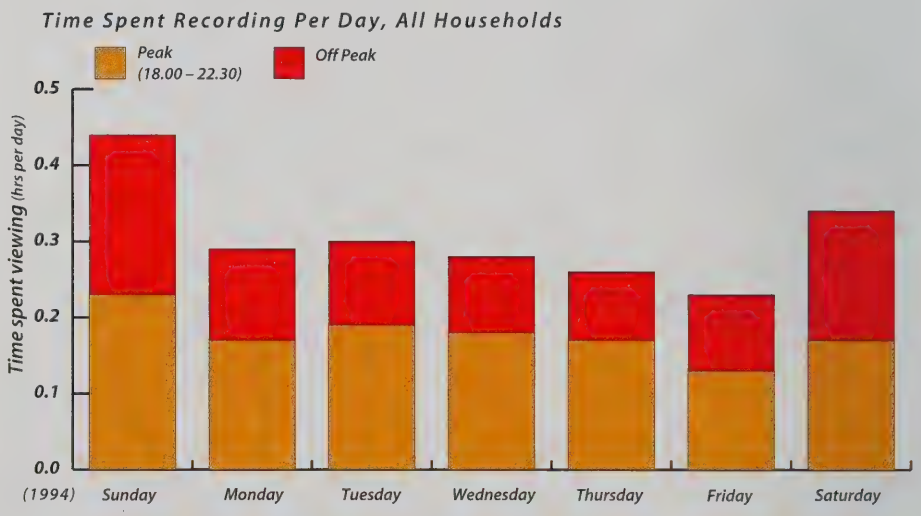
Firstly the graphs on this page show the average time per day that households in New Zealand spent recording programmes in 1994. This follows a similar pattern to live viewing (see page 33), i.e. Sunday and Saturday have the highest levels of recording.

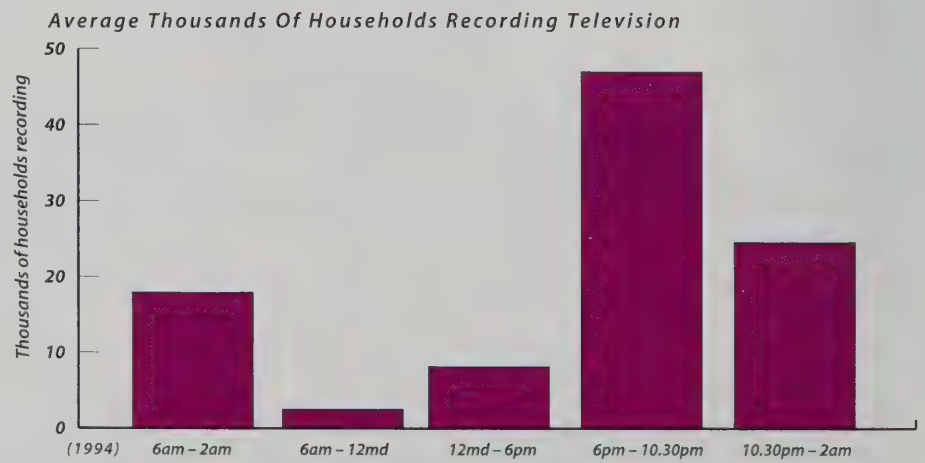
Also on this page is the graph showing the average number of households in thousands that were recording television programmes by time zone.

On the opposite page (page 37), the playback of video tapes is shown. The PeopleMeter is able to differentiate between playback of video tapes which have been taped in the PeopleMeter household (coded playback) and those recorded outside the household, e.g. hired or borrowed tapes (uncoded playback).

Time spent viewing in hours per day of both these types of playback during peak (18.00 to 22.30) and off-peak 1994 are shown for All 5+ and 18 to 54 year olds.

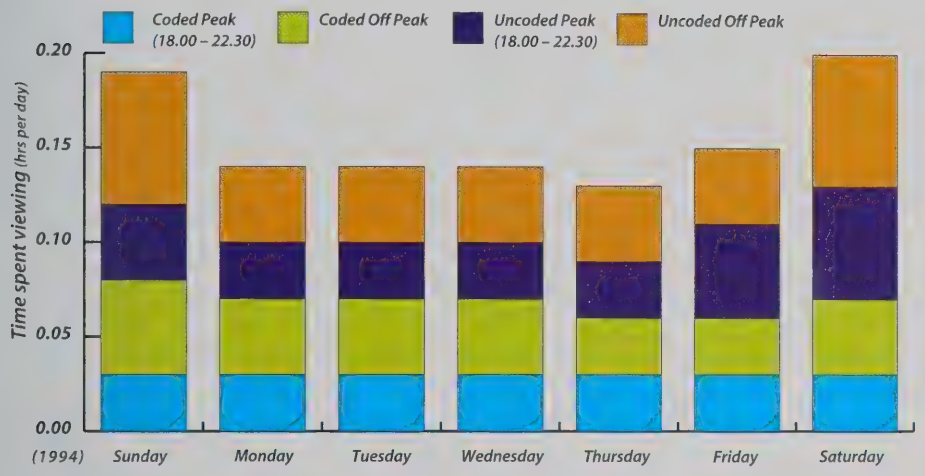
An average audience in thousands of persons for total VCR playback averaged over 1994 is shown by time zone by category in the final graph.



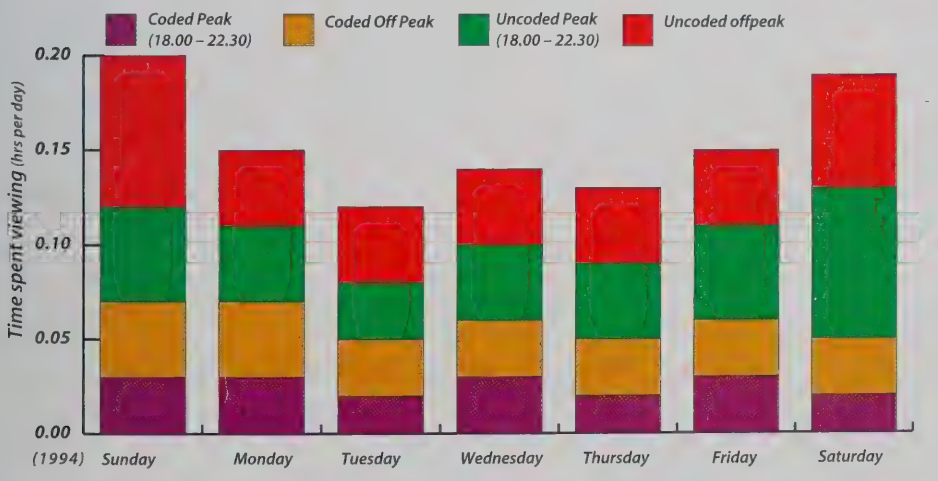


Source: AGB McNair

Time Spent Viewing VCR Playback Per Day, All 5+



Time Spent Viewing VCR Playback Per Day, All 18 to 54



Average Audience Viewing VCR Playback By Time Zone (Thousands)

Source: AGB McNair

Programming
PROGR

Session
for
New Zealand
Viewers
VISION
39
Programming for New Zealand Viewers

ONE

PROGRAMMING STATEMENT: TELEVISION ONE

Television ONE is the longest established channel in the New Zealand market, and the market leader in terms of channel share. Television ONE has been on air since 1960 and has traditionally been seen as the 'serious' broadcast channel appealing to an older demographic (with a core audience of 35 years and over). Television ONE screens many news and current affairs, sport, British drama and comedy programmes which appeal to its core audience.

SCHEDULING IN 1994

Television ONE retained a strong position in the New Zealand television market in 1994, with its strength lying particularly in the news , sport and lifestyle genres.

Successful local productions on Television ONE have mainly been of the information/magazine variety including *Crimewatch, Heartland, Air New Zealand Holiday* and *Palmers Garden Show*. TVNZ has programme supply arrangements with many of the major British broadcasters and producers, and it is from the UK that the largest share of Television ONE's dramas and comedies are sourced. These popular shows include *Casualty, Heartbeat, Waiting For God, Keeping Up Appearances, The Bill* and *Coronation Street*.

Two shows that created particular interest in 1994 were Dennis Potter's *Lipstick On Your Collar,* which rated well despite its demanding nature, and *Cracker*, a series which exemplifies the new generation of cop and crime shows.

As with the rest of the world, interest in the Royal Family continued in 1994 to ensure strong ratings for the several specials Television ONE played on the Prince and Princess of Wales.

Many major sports codes are screened on Television ONE, with core sports – rugby, cricket and netball – consistently attracting large audiences. New Zealanders' keen interest in events such as the America's Cup and the Whitbread Yacht Race make this coverage popular also.

LOOKING TO 1995

In 1995 Television ONE will place an increased emphasis on attracting the 'baby boomer' audience (35-50 year olds). This strategy is aimed at strengthening the younger end of Television ONE's core demographic. This strategic move is necessary for Television ONE to retain its strong position and also to ensure an attractive option for advertisers.

In 1995, the early evening format provides attractive viewing options for a broader audience. Television ONE's news bulletin has been lengthened to one hour, followed by the half hour current affairs show, *Holmes,* and a late night news programme will be followed by a daily sports round-up.

1994 TOP PROGRAMMES FOR TELEVISION ONE

POTENTIAL 1,400,000 (AGES 25-54 YEARS)

	PROGRAMME TITLE	AVERAGE RATING
1	Rugby: Bledisloe Cup NZ v Australia	49
2	Rugby: NZ v South Africa 2nd Test	33
3	Rugby: NZ v South Africa 1st Test	32
4	Rugby: NZ v South Aftica 3rd Test	31
5	Netball: NZ v Australia 3rd Test	29
6	This Is Your Life	28
7	Rugby: NZ v France 1st Test	27
8	Rugby: NZ v France 2nd Test	27
9	Netball: NZ v Australia 1st Test	24
10	Netball: NZ v Australia 2nd Test	22
11	Ray Martin presents Michael Crawford	22
12	National Fielday Special	20
13	Air New Zealand Holiday	19
14	Charles: The Private The Public Role	19
15	Holmes	19
16	Network News: 6pm	19
17	Diana: An Intimate Portrait	18
18	Palmers Garden Show	18
19	Crimewatch	18
20	Clive James: Postcard from New York	18
21	Open Home	18
22	Class Act	18
23	Heartland	17
24	Frontline	17
25	Palmers Garden Show: Ellerslie Flower Show	17
26	The Queen's Christmas Message	17
27	Barrymore	17
28	Commonwealth Games Opening Highlights	16
29	Classic Coronation Street Series	16
30	Casualty	16
31	Tux Wonder Dogs	16
32	Quantum	16
33	The Bill	16
34	Country Calendar	16
35	Lipstick on Your Collar	16
36	Diana: A Princess Alone	15
37	Coronation Street	15
38	Taggart	15
39	Heartbeat	15
40	Body & Soul	15
41	Diana & the Royal Family	15
42	The Budget	14
43	Waiting for God	14
44	The Chief	14
45	The Tuesday Documentary	14
46	Montana Sunday Theatre	14
47	Moro Sports Extra	14
48	Quantum	14
49	A Question of Sport	14
50	The Wish That Changed Christmas	14
51	By-Election Update	14
52	Peak Practice	14
53	The Whitbread Report	14
54	Golden Fiddles	13
55	Between the Lines	13
56	Trustbank Halberg Awards	13
57	Really Living	13
58	Young Farmer of the Year Award	13
59	Auntie's Bloomers	12
60	Blue Heelers	12

The ratings for programmes with more than 1 episode are averaged across the year

1994 TELEVISION ONE SCHEDULE

	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1730	**Rugby** (5)	Take Your Pick (6)	Take Your Pick (6)	Take Your Pick (6)	Take Your Pick (6)	Take Your Pick (6)	**Rugby** (5)
1800	**News** (1)	**News** (1)	**News** (1)	**News** (1)	**News** (1)	**News** (1)	**News** (1)
1830	**Frontline** (1)	**Holmes** (1)	**Holmes** (1)	**Holmes** (1)	**Holmes** (1)	**Holmes** (1)	**Air New Zealand Holiday** (2)
1900		**Wheel of Fortune** (6)	**Wheel of Fortune** (6)	**Wheel of Fortune** (6)	**Wheel of Fortune** (6)	**Wheel of Fortune** (6)	**Tux Wonder Dogs** (2)
1930	Barrymore (2)	Moro Sports Extra (5)	Coronation Street (3)	Coronation Street (3)	Coronation Street (3)	Blue Heelers (3)	The Last Of The Summer Wine (4)
2000			The Bill (3)	The Bill (3)	The Bill (3)		Heartbeat (3)
2030	Montana Sunday Theatre (3)	The Chief (3)	**Crimewatch** (1)	**Marlin Bay** (3)	Quantum (2)	**Open Home** (2)	
2100					Between The Lines (3)	**Body and Soul** (2)	Dr Finlay (3)
2130	**Fraser** (1)	**Made in New Zealand** (2)	One Foot In The Grave (4)	Second Thoughts (4)		**Foreign Correspondent** (1)	
2200		**Primetime** (1)	**Primetime** (1)	**Primetime** (1)	**Primetime** (1)	**Prime Time** (1)	Movie
2230	**Work of Art** (2)	The Germans (2)	Screen One (3)	Surgical Spirit (4)	Minder (3)	In Short (3)	

New Zealand produced programmes (1) News/Current Affairs (2) Variety (3) Drama (4) Comedy (5) Sports (6) Quiz Games

PROGRAMMING STATEMENT: CHANNEL 2

Channel 2 (to become known as TV2 in 1995) programmes for the family audience and the young adult market in New Zealand. Traditionally Channel 2 has been an entertainment channel with an emphasis on US programmes, but this is gradually changing. Local programmes were the hallmark of Channel 2's 1994 schedule, with programmes such as *Heroes*, *Fair Go* and *Shortland Street* achieving similar ratings to *Lois & Clark*, *Grace Under Fire*, *The Nanny* and other popular US shows. Channel 2 will continue to introduce more local programming in 1995 and will also continue to programme a large number of movies, comedy shows and drama from around the world.

Channel 2's identity and the profile of its viewers is best reflected in two of its local programmes. Firstly, *Shortland Street* — a very successful weeknight soap opera set in an Auckland medical centre, which retained its phenomenal popularity across all age groups in 1994. Secondly, *Newsnight* — a weeknight, late night news show that combines the serious with the lighthearted.

HIGHLIGHTS OF 1994

- In 1994 New Zealanders witnessed the introduction of news and current affairs to Channel 2, traditionally seen as a purely entertainment channel. While there is no early evening news on Channel 2 (as there is on Television ONE and TV3), *Newsnight* has captured the loyalty of young adult viewers (a group not traditionally interested in this genre) in its 10.30pm slot.
- Channel 2's commitment to children's television was evident in its 1994 schedules, with local programmes such as *Son of A Gunn Show, What Now?* and *Chatterbox* made especially for younger viewers.
- New Zealanders, traditionally an early to bed, early to rise nation, were introduced to late night television when Channel 2 went to air 24 hours, seven days a week in October.
- Channel 2 witnessed a renaissance in the popularity of US comedies, such as *Grace Under Fire*, *Frasier* and *Seinfeld*.

1994 TOP PROGRAMMES FOR CHANNEL 2

POTENTIAL 1,403,000 (AGES 18-44 YEARS)

	PROGRAMME TITLE	AVERAGE RATING
1	Blind Fury	31
2	Terminator 2 -Judgment Day	31
3	Hot Shots!	30
4	Point Break	29
5	Toy Soldiers	29
6	The Commitments	28
7	Home Alone	27
8	Do It Yourself Mr Bean	27
9	Curly Sue	26
10	Oops-NZ's Greatest TV Bloopers	26
11	City Slickers	26
12	One West Waikiki	25
13	The Goonies	25
14	State of Origin Game 2	24
15	Lethal Weapon 2	24
16	K-9	24
17	Christopher Columbus-Discovery	24
18	Suburban Commando	24
19	Back to School Mr Bean	24
20	State of Origin Game 3	23
21	Winfield Cup Grand Final	23
22	Sleeping with The Enemy	23
23	Corbans Fashion Collections	23
24	I Posed For Playboy	23
25	Grace Under Fire	23
26	Miles From Nowhere	23
27	State of Origin Game 1	22
28	Willy Wonka & The Chocolate Factory	22
29	If Looks Could Kill	22
30	Till Murder Do Us Part II	22
31	Silence of the Lambs	22
32	Donato & Daughter	22
33	Masters of Illusion	22
34	Tango & Cash	22
35	The Eighth Annual Bikini Jam	22
36	Lois & Clark-The New Adventure	22
37	Mermaids	22
38	Runaway Fathers	22
39	Doc Hollywood	22
40	Pale Rider	22
41	Between Love and Hate	22
42	Crocodile Dundee 2	21
43	Fair Go	21
44	Overkill: The Aileen Wuornos Story	21
45	Goldfinger	21
46	Ghostbusters II	21
47	The Other Side of Love	21
48	Shortland Street	21
49	Young Guns 2	21
50	Dances With Wolves	21
51	Dead Calm	21
52	Greystoke: The Legend of Tarzan	21
53	Side Out	21
54	Memoirs of An Invisible Man	21
55	The Nanny	21
56	Murder of Innocence	21
57	Before They Were Stars	21
58	Police Academy 5	20
59	The Karate Kid III	20
60	The Witches of Eastwick	20

The ratings for programmes with more than 1 episode are averaged across the year

1994 CHANNEL 2 SCHEDULE

	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1730	Me and My Girl (4)	Neighbours (3)	Neighbours (3)	Neighbours (3)	Neighbours (3)	Neighbours (3)	Dave's World (4)
1800	Phenom (4)	The Cosby Show (4)	The Cosby Show (4)	The Cosby Show (4)	The Cosby Show (4)	The Cosby Show (4)	Major Dad (4)
1830	David Copperfield (2)	Cheers (4)	Cheers (4)	Cheers (4)	Cheers (4)	Cheers (4)	Full House (4)
1900		**Shortland Street** (3)	**Shortland Street** (3)	**Shortland Street** (3)	**Shortland Street** (3)	**Shortland Street** (3)	Step by Step (4)
1930	**60 Minutes** (1)	Lois and Clark (3)	The Nanny (4)	**Fair Go** (2)	Fresh Prince of Bel Air (4)	**Mountain Dew on the Edge** (5)	Movie
2000			Seinfeld (4)	Frasier(4)	**True Life Stories** (3)		
2030	Movie	Movie	Movie	One West Waikiki (3)	Married With Children (4)	Adventures of Briscoe County Junior (3)	
2100					Hale & Pace (4)		
2130				**Eyewitness** (1)	Walker Texas Ranger (3)	Renegade (3)	Movie
2200							
2230	Dream On (4)	**Newsnight** (1)	**Newsnight** (1)	**Newsnight** (1)	**Newsnight** (1)	**Newsnight** (1)	

■ New Zealand produced programmes (1) News/Current Affairs (2) Variety (3) Drama (4) Comedy (5) Sports (6) Quiz Games

PROGRAMMING STATEMENT: TV3

Nineteen ninety four was a significant year for TV3. For the first time the channel had the resources to be more aggressive with both its programming schedule and its overall marketing plan.

KEY STRATEGIES FOR 1994 INCLUDED:-

The structural realignment of the programme schedule, which included the move of *World Around Us* and *20/20* from Sunday to Monday and the launch of several new shows.

- The recognition of *3 National News* as a core, prime-time building block with a steadily increasing audience.
- The introduction of key programmes such as *Beverly Hills 90210* and *Melrose Place*.
- The building of key nights with blocks of compatible programmes such as Thursday's comedy line-up.
- The reduction of the network's reliance on movies for share points. In 18 months, the channel went from five movie nights per week to three.
- The encouragement of viewer confidence through schedule stability.
- The securing of international programme and movie supply lines.
- The development of a local programme production plan.

These strategies will continue to be a core part of TV3's direction, as the market consolidates with the effect of three significant changes to the New Zealand programming landscape.

Firstly, there is a growing trend towards schedule stability from all networks. Secondly, the way overseas programmes are being bought and sold internationally is changing. No longer is it acceptable for a network to secure as much of the world's product as possible — the market is operating with a more restrained and sensible attitude towards programme purchasing.

Finally, TV3 has negotiated a number of important agreements that will ensure the network secures a stable and consistent supply of international programmes and movies. Programmes implemented under these agreements so far, include *Home Improvement, 20/20, Melrose Place, Beverly Hills 90210, Models Inc, The Oprah Winfrey Show* and *Donahue*.

Alongside this commitment to secure strong international product, TV3 is committed to maintaining and expanding the local programme production slate.

1994 TOP PROGRAMMES FOR TV3

POTENTIAL 1,606,000 (AGES 18-49 YEARS)

	PROGRAMME TITLE	AVERAGE RATING
1	Pretty Woman	30
2	Fried Green Tomatoes	17
3	Robin Hood Prince of Thieves	17
4	Melrose Place	17
5	Perfect Weapon	16
6	Taking Care of Business	16
7	Strictly Ballroom	15
8	Kindergarten Cop	15
9	Models Inc	14
10	The Rescue	14
11	Australia vs New Zealand One Day Cricket	14
12	Green Card	14
13	White Fang	14
14	The Best of The Best	13
15	Three Men and A Little Lady	13
16	The Three Fugitives	13
17	South Africa vs New Zealand One Day Cricket	13
18	The Addams Family	13
19	Cocktail	13
20	Rocketeer	13
21	The Joke's on You	13
22	One Man's Justice	13
23	Indiana Jones & The Last Crusade	13
24	Flight of the Intruder	13
25	Deceived	12
26	Heartbeat	12
27	Ernest Saves Christmas	12
28	Stranger in the Mirror	12
29	An Appt.with Rowan Atkinson & John Cleese	12
30	Boxing	12
31	The Hunt for Red October	12
32	Australia vs New Zealand One Day Cricket	12
33	Star	12
34	Rowan Atkinson Live & Uncensored	11
35	The Doctor	11
36	Beetlejuice	11
37	Australia vs South Africa One Day Cricket	11
38	In My Daughter's Name	11
39	Pollyanna	11
40	Beverly Hills 90210	11
41	Regarding Henry	11
42	Grease	11
43	Blind Fear	11
44	Australia vs South Africa One Day Cricket	11
45	Message from Nam	11
46	Mr Destiny	11
47	Rain Man	11
48	Night Eyes 2	11
49	Arachnophobia	10
50	King of the Kickboxers	10
51	Rich Men, Single Women	10
52	Carrott's Commercial Breakdown	10
53	Turner and Hooch	10
54	Lies Before Kisses	10
55	Mortal Sins	10
56	Betsy's Wedding	10
57	20/20	10
58	Home Improvement	10
59	Inside New Zealand	10
60	Woman on the Run	10

The ratings for programmes with more than 1 episode are averaged across the year

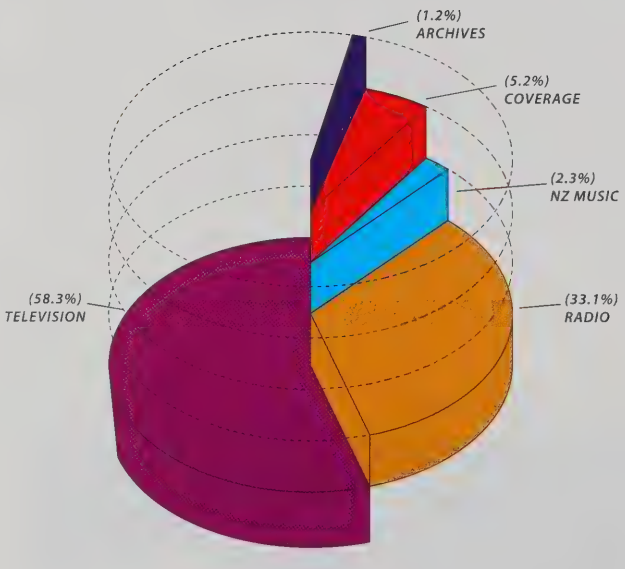
1994 TV3 SCHEDULE

	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1730	Lost In Space (3)	**5.30 Live** (1)	**5.30 Live** (1)	**5.30 Live** (1)	**5.30 Live** (1)	**5.30 Live** (1)	**Edge** (1)
1800	**News** (1)	**3 National News** (1)	**3 National News** (1)	**3 National News** (1)	**3 National News** (1)	**3 National News** (1)	**3 National News** (1)
1830	Noels House Party (2)						Bruce Forsyth's Generation Game (2)
1900		**Sale of the Century** (6)	**Sale of the Century** (6)	**Sale of the Century** (6)	**Sale of the Century** (6)	**Sale of the Century** (6)	
1930	Melrose Place (3)	World Around Us (1)	**Living Earth** (3)	The Jokes On You (4)	Beverly Hills 90210 (3)	Star Trek - The Next Generation (3)	Movie
2000			**Animals & Us** (3)				
2030	Movie	**20/20** (1)	Movie	**Inside NZ Special** (1)	Home Improvement (4)	**Mobil Sport** (5)	
2100					**Skitz** (4)		
2130		NYPD Blue (3)		Beyond 2000 (1)	America's Most Wanted (1)		
2200							
2230	Entertainment Tonight (2)	**Nightline** (1)	**Nightline** (1)	**Nightline** (1)	**Nightline** (1)	**Nightline** (1)	Movie

■ New Zealand produced programmes (1) News/Current Affairs (2) Variety (3) Drama (4) Comedy (5) Sports (6) Quiz Games

NZ ON AIR

NZ On Air is a crown entity established (as the Broadcasting Commission) under the Broadcasting Act of 1989. NZ On Air collects the broadcasting fee of $110 per annum for every household with a television set. A total of $93.1 million was collected in the year to 30 June 1994. The fee is used to fund social and cultural objectives in broadcasting.



DISTRIBUTION OF PUBLIC BROADCASTING FEE INCOME 93/94

It is NZ On Air's role under the Broadcasting Act of 1989 to promote New Zealand culture and identity in broadcasting; promote Maori language and culture; fund non-commercial radio and television coverage; provide for the broadcasting interests of women, children, people with disabilities and minorities in the community; and ensure the archiving of programmes of historical interest.

NZ On Air's mission statement describes its purpose as "a catalyst for distinctive New Zealand broadcasting".

To achieve this, NZ On Air has the following goals:-

1. To fund programming on radio and television about New Zealand and New Zealand interests (including drama and documentary) that:-

- Ensures mainstream audiences have access to a variety of good quality New Zealand programming.
- Promotes Maori language and culture in mainstream programming for all New Zealanders.
- Provides a range of broadcasts for special interest audiences such as women, children, persons with disabilities and minorities in the community.
- Promotes New Zealand music.

2. To maintain, and where appropriate, extend the coverage of television and radio to New Zealand communities that would otherwise not receive a commercially viable signal.

3. To encourage the establishment and operation of archives of programmes that are likely to be of historical interest in New Zealand.

4. To maximise income from the collection of the broadcasting fee to provide funding for New Zealand broadcasting.

For the year ended 30 June 1994, NZ On Air funded all or part of these television programmes (on all three national networks):-

Drama	*229 hours*
Documentaries	*200 hours*
Children and young persons	*476 hours*
Maori programmes	*116 hours*
Special interest programmes	*148 hours*

Programmes funded or partially funded by NZ On Air during 1994 included *Bread & Roses, Work Of Art, Shortland Street, Skitz, Topp Twins Special, Heroes, Heartland, Country Calendar* and *Inside New Zealand.*

LOCAL PROGRAMMES

From the time test transmissions began late in the 1950s, local programmes have won the hearts of New Zealand viewers. All three broadcast channels are committed to local programmes, and in the 1990s these programmes continue to be popular, consistently making the weekly top ten rating positions and featuring prominently in the top-rating programmes for 1994.

LOCAL PRODUCTIONS: TVNZ

TVNZ has a long track record as the producer of local television programmes. The amount of local programming appearing on Television ONE and Channel 2 continues to grow. In 1994 3,740* hours of local programming screened on these two channels.

The production expertise in New Zealand continues to improve, and local crews are gaining an international reputation for excellence in all fields. TVNZ commissions shows from independent programme makers as well as producing programmes in-house. Contemporary drama, comedies, documentaries, natural history programmes, special events, Maori and Pacific Island programmes, news and current affairs shows and sport, are examples of the broad variety of work produced by TVNZ crews.

TVNZ Natural History has become a significant player in the production of wildlife programming for world markets, and programmes produced in Dunedin screen in Europe, the US, Canada and Asia.

TVNZ's drama-making subsidiary, South Pacific Pictures, produces the outstandingly successful *Shortland Street*, as well as other contemporary drama destined for local and international screens. Overseas sales to date include *Marlin Bay, Deepwater Haven, Shortland Street* and *The Boy From Andromeda*.

LOCAL PRODUCTIONS: TV3

TV3 has established critical success with *3 National News* (winner of the 1994 Film & Television News Award) and the network's innovative sports magazine shows, e.g. *Mobil Sport,* have created a bench mark for that genre.

During 1994 TV3 established a number of successful local production strands, notably *Inside New Zealand*, the quality Wednesday night documentary series; *Animals and Us*, the popular pets/animals magazine show; *Skitz* and *That Comedy Show*, two sketch-based comedy series.

Nineteen ninety five will see TV3 continuing to screen these local productions and adding several new series to its prime-time schedule including *Melody Rules*, New Zealand's first long run family sitcom and *Cover Story*, a top end drama series based on the daily lives of a TV current affairs team.

PROGRAMME STANDARDS IN NEW ZEALAND

The Broadcasting Act stipulates that broadcasters must maintain certain basic standards. Therefore all programmes in New Zealand are subject to the Codes of Broadcasting Practice.

Drawn up by the Broadcasting Standards Authority (BSA) and the broadcasters, the Codes of Broadcasting Practice expand on the general guidelines contained in the Broadcasting Act to provide programme makers with detailed information about how programme standards should be maintained.

The Codes outline what is expected in the areas of taste and decency, the maintenance of law and order, the privacy of the individual and the requirements for fairness, impartiality and balance. They also deal with the impact of violence, the effect programme content can have on children, the need to avoid discriminatory material and the requirement to minimise the exposure of incidental liquor advertising.

Except for news, live sports and current affairs programmes, all television programmes are examined by appraisers before broadcast to ensure they comply with the various codes. News and current affairs editors are expected to be mindful of the Codes when putting programmes together.

The Codes of Broadcasting Practice are also the basis on which broadcasters and the BSA judge formal complaints. The Broadcasting Act states that viewers are entitled to have their complaints formally investigated. In the first instance, formal complaints are examined by the broadcaster concerned. New Zealand broadcasters take the formal complaints procedure very seriously and institute searching investigations on all such complaints. However, if the broadcaster's decision is unsatisfactory, the viewer can have the complaint reviewed by the BSA.

HOW TO COMPLAIN ABOUT A PROGRAMME

From 1994 broadcasters have pro-actively advertised in print and on television how viewers can complain about a programme.

To register a complaint a viewer should:-

- Address their complaint to the Group Chief Executive of the network concerned
- Clearly mark the letter 'formal complaint'
- Identify the programme, time of broadcast and the channel on which the programme screened
- Specify what it was in the programme that caused them concern
- Suggest the area in which they feel the Codes of Practice may have been breached (i.e taste and decency, balance, violence etc.)

** This figure excludes local programming on* eTV.

Measuring the

Section
4
New Zealand
Television
Audience
VISION
4
Measuring the New Zealand Television Audience

AGB | McNair

PEOPLEMETERS

The AGB McNair PeopleMeter panel commenced operation in May 1990, providing a daily television viewing sample of approximately 400 households (1,000 people five years and over). Peoplemeters have become the industry standard measurement of television audiences in New Zealand and overseas, and represent the most important technical advance in media audience measurement yet.

Prior to 1990, AGB McNair measured television audiences by way of a self-completion diary using weekly samples of around 700 people five years and over. A different sample was used each week.

The PeopleMeter system used in New Zealand was developed in the United Kingdom and consists of five components:-

THE PEOPLEMETER HANDSET

Each television has its own PeopleMeter handset — a remote-control device with numbered buttons on it. Each permanent member of the household is assigned one button. There are also buttons for guests in the household to use.

When people start to watch television, they push their button on the handset. When they stop watching, they push their button again. Nothing more is required regardless of how many times a viewer may switch channels.

THE PEOPLEMETER MONITOR

The PeopleMeter Monitor is a small unit which sits on top of each television set. This identifies through its video display, the family members who are registered as currently viewing. It also flashes periodic reminders to people watching television to use the handset to register their viewing.

This monitor automatically detects the channel that is being watched and any channel switching that occurs.

THE COLLECTOR BOX

The collector box is another small unit which can be placed anywhere in the household, providing it can be connected to the household electrical wiring and telephone line. There is one device per house which collects all the tuning and viewing data from each of the monitors in the household.

AGB McNair's central computer is programmed to call each collector box in the early hours of the morning and retrieve viewing and tuning data for the previous 24 hours. The call is silent (i.e. the phone doesn't ring) and does not interfere with phone usage.

THE VCR SMARTPROBE

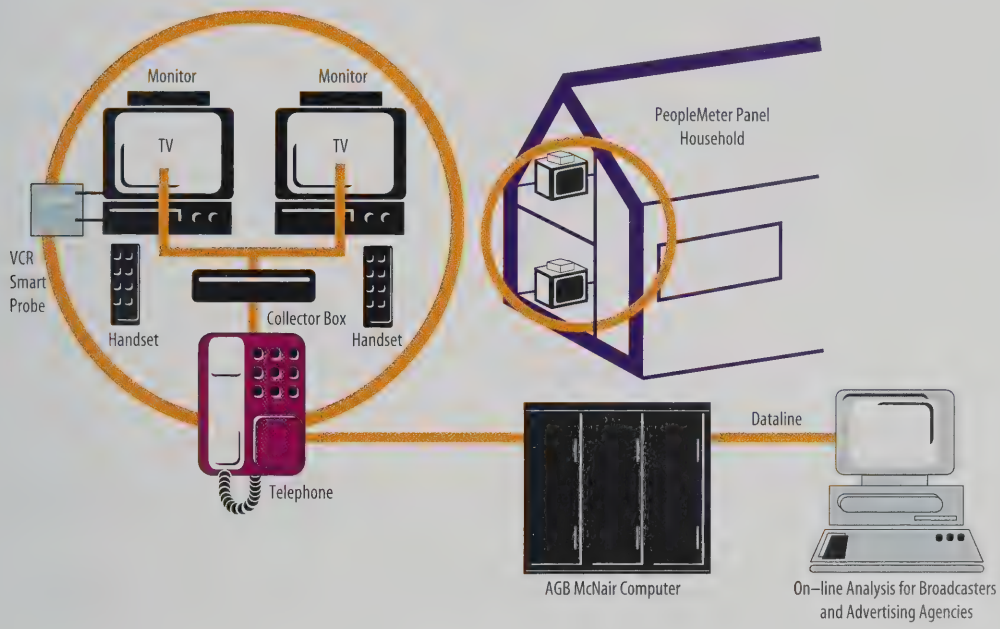
This device measures recording and playback of video tapes on the VCR. The Smartprobe places a date, time and channel on to the video tape when it is being recorded without interfering with the picture or sound. This is known as 'VCR fingerprinting' and makes it possible for the Smartprobe to identify which programmes are being replayed. Tapes recorded outside the PeopleMeter household, but played on the household's VCR, are identified as such by lack of a 'fingerprint'.

THE SKY PROBE

The SKY probe is a device attached to the back of a SKY decoder which allows the measurement of channel tuning taking place through the decoder.

The diagram below illustrates how all the technology is linked together in the household; the telephone link to AGB McNair's central computer and the distribution of data to subscribers through the PC based analysis software, Data.Line.

The PeopleMeter panel sample is recruited in proportion to the population in New Zealand with reference to a series of panel controls. These panel controls include both a selection of demographic and television viewing related variables.



This ensures that the panel is an accurate reflection of the viewing behaviour of the New Zealand population on a day-to-day basis.

Since the inception of the panel, some of these panel controls have been changed to take account of changes in the population distribution and structure of New Zealand.

Data for these changes is provided by Statistics New Zealand from the Census and from Annual Establishment Surveys of total population conducted by AGB McNair. The Establishment Survey serves two vital functions. Firstly, it is a fully national survey which collects demographic and viewing related data, e.g. number of television sets, number of VCRs, quantity of viewing, channel reception and other variables not measured in the Census. Secondly, it provides a pool of households for potential recruitment to the panel.

The New Zealand PeopleMeter panel records viewing of a channel, programme, etc. to the second-by-second level. This data is then aggregated to clock minutes which are then further aggregated to average quarter hour ratings.

Reporting from the PeopleMeter Panel can be on a daily or weekly basis with the industry standard reporting protocol being the average quarter hour or programme-by-programme ratings. These are supplied on a daily basis to the user community.

INDEPENDENT AUDITING OF THE PEOPLEMETER PANEL

The New Zealand PeopleMeter panel is subjected to independent scrutiny by the Centre for Survey Quality Assurance (CSQA). CSQA takes cross-sections of the panel and Establishment Survey structures and reports on their accuracy and representative nature to the broadcasters, advertisers and their advertising agencies. Auditing has been in place since the commencement of the AGB McNair PeopleMeter Service in 1990 and is an on-going process.

Each year, the auditors conduct coincidental surveys to check panelists' claimed viewing behaviour against their button pushing behaviour as revealed by the metered records of viewing. These surveys show that there is a very high level of compliance in the use of the PeopleMeter equipment among panelists.

Since the commencement of the AGB McNair PeopleMeter Service, many research papers have been prepared by AGB McNair, the Television Broadcasters' Group and the Survey Auditor, Dr Terence Beed, with assistance from Dr Peter Danaher, a Consultant Statistician. These have been circulated widely in the user community and several have been published in the international market. This section provides abstracts of these special television audience research studies conducted between May 1990 and December 1994.

JANUARY 1991: AN ANALYSIS OF TELEVISION VIEWING BEHAVIOUR IN NEW ZEALAND OVER THE 1990/91 SUMMER HOLIDAY PERIOD

The 1990/91 summer holiday period was the first time that the in-home viewing behaviour of New Zealanders was accurately measured. Popular opinion and diary-based measures had suggested a substantial decline in audiences over this time.

- Work undertaken prior to this period by AGB McNair suggested that the intended holiday absences of PeopleMeter homes would rise from the usual 6% to 20%.
- To partially offset this, one third of PeopleMeter homes intended to have guests with the majority staying for four nights or more.
- The reality was that the PeopleMeter sample continued to perform to specification over the summer holiday period. The decline in numbers of people in panel homes viewing was largely offset by a high level of guest incidence contributing 15% to the ratings.
- Channel shares did not deviate from historical expectations and only a marginal drop in viewing over Christmas and New Year was recorded with viewing levels climbing again in the first week of January.

SEPTEMBER 1994: THE DAYLIGHT SAVING AND STANDARD TIME JUNCTION — Comparative Differences in Average Viewing Levels

This paper, prepared by AGB McNair, was produced to provide an insight into the changes that occur in viewing behaviour at the Daylight/Saving Standard Time junction.

- Analysis was conducted over four years with two weeks before and after the change being analysed.
- The analysis showed that audiences were lower overall during Daylight Saving than Standard Time which is related to changes in lifestyle from winter to summer. These lower audiences are small in the afternoon but become more significant between 6.00pm and 9.00pm.
- The peak of viewing moves back from 7.00pm to 8.30pm in Standard Time to 7.30pm to 9.00pm during Daylight Saving.
- An increase in later evening viewing from 8.45pm onwards was apparent during Daylight Saving. The majority of the increase was on Channel 2 with Television ONE and TV3 affected less.
- The size of the changes for total television viewing also varied by demographic with the 40 to 54 year olds showing the greatest differences in evening viewing.

DEVELOPMENT OF A ROTATION STRATEGY FOR THE NEW ZEALAND PEOPLEMETER PANEL

Dr Peter Danaher, Dr Terence Beed, David O'Neill (Managing Director AGB McNair). ESOMAR/ARF Conference, Toronto, 1992.

In November 1991 the New Zealand PeopleMeter panel was 18 months old. Of the original 441 homes signed for the panel from the Establishment Survey in May 1990, 335 were still on the panel 18 months later. There had been no forced retirements of panel members to limit membership to any agreed duration. Attrition resulted mainly from geographic relocation of panel householders (48% of all attrition) and 'voluntary' resignations from the panel (32%). Only eight homes (6%) had to be removed by the survey company due to non-compliance.

At the launch of the New Zealand panel, the broadcasters and independent auditor contended that membership should be restricted to two years to avoid any potential or real problems of compliance, conditioning or representativeness. However, experience with a major coincidental survey in 1991 and other research placated fears about the early onset of any serious biases from these sources.

Based on a series of Monte Carlo simulations of the structure of the panel over time, the initial thinking was modified in favour of a three year limit on panel membership, with a forced rotation of the original cohort extending over 18 months.

Due regard was given to the debate in the US and Europe which favours a deliberate rotation policy, and other procedures have been set in place to monitor the operation of the panel. These include repeated coincidental surveys, exit interviews and on-going cover analyses. Sample surveys were also being invoked to define any shifts in key population parameters which were not the subject of measurement by the official statistical offices, such as weight of viewing and VCR ownership.

This paper focused on the research which led to the current panel management strategy in New Zealand and in particular, the use of simulation techniques to study the possible outcomes of alternative strategies.

A COINCIDENTAL SURVEY OF PEOPLEMETER PANELISTS: COMPARING WHAT PEOPLE SAY WITH WHAT THEY DO

Dr Peter Danaher, Dr Terence Beed.
Journal of Advertising Research, January/February 1993.

Despite the technological advantages of PeopleMeters over diaries, they have their potential weaknesses. One of the most problematic components of the PeopleMeter is the 'people' part of the meter. This coincidental survey showed that non-compliance occurs among panelists, but it is not too serious. The 91.5% compliance observed here is in the upper range of similar studies in other countries.

The survey also showed that ratings can remain relatively unaffected by non-compliance, due to the fact that for the handful of people who haven't pushed their buttons when watching television, there is usually an equal-sized group who have incorrectly left their buttons pushed when not watching television. The net effect is the correct overall number of buttons pressed.

An equally important issue, and one that prompted this study in the first place, is that of panel wearout. The majority of panelists in New Zealand had been on the panel for over a year when this survey was conducted, but this was not seen as an important factor in determining non-compliance.

All of these findings are somewhat cautionary, however, as only 31 non-compliant people were uncovered in the sample, making it difficult to establish significant relationships, especially any high-order interactions. Therefore there is a need to continually monitor non-compliance to look for any trends.

UNOBTRUSIVE MEASURES OF TELEVISION AUDIENCES DURING COMMERCIAL BREAKS: PEOPLEMETER SECOND BY SECOND RATINGS

Dr Peter Danaher, Dr Terence Beed. ESOMAR/ARF Worldwide Electronic and Broadcast Audience Research Symposium, Paris, May 1994

In this ground-breaking research, the AGB McNair PeopleMeter monitor was recalibrated to produce second by second ratings, instead of the usual one minute ratings.

The study looked at audience ebb and flow during programmes, and, in particular, during commercial breaks. In contrast to previous research into audience behaviour during commercial breaks, the PeopleMeter is entirely unobtrusive and potentially measures what people actually do, instead of what they say they do.

The audience levels show a surprising amount of change, not just during commercial breaks and between programmes but even during programmes. A number of programmes show considerable build in audience in the first ten minutes. On the other hand, soap operas and game shows, for instance, show strong viewer loyalty, even during advertising breaks.

One of the major purposes of this research was to study television audience levels during commercial breaks. The study showed that television ratings drop during commercial breaks, but only by 5%. Furthermore, it showed that viewers are potentially exposed to 90% of the content of the commercial break shown on the channel they were tuned to prior to the start of the break. It also showed that commercial avoidance is largely done at random, that is, there are very few personal or household characteristics that correlate with commercial avoidance behaviour. Furthermore, it appears that characteristics of the commercial break, such as number of ads in the break and length of ads, have an effect on the commercial break ratings, but they are not substantial. Lastly, it is evident that viewers sense the timing pattern of commercial breaks and their commercial avoidance behaviour is dictated somewhat by this sense of patterning.

COVER ANALYSIS: A NEW TOOL FOR MONITORING PEOPLEMETER PANELS

Dr Peter Danaher, Trevor Sharot (Survey Research Group, Singapore).
Journal of the Market Research Society 36, 2, 1994 pp 133 - 138

PeopleMeters have revolutionised the analysis of television audiences. However, there still remain some lingering doubts about the respondents' diligence in pushing their buttons on the PeopleMeter handset.

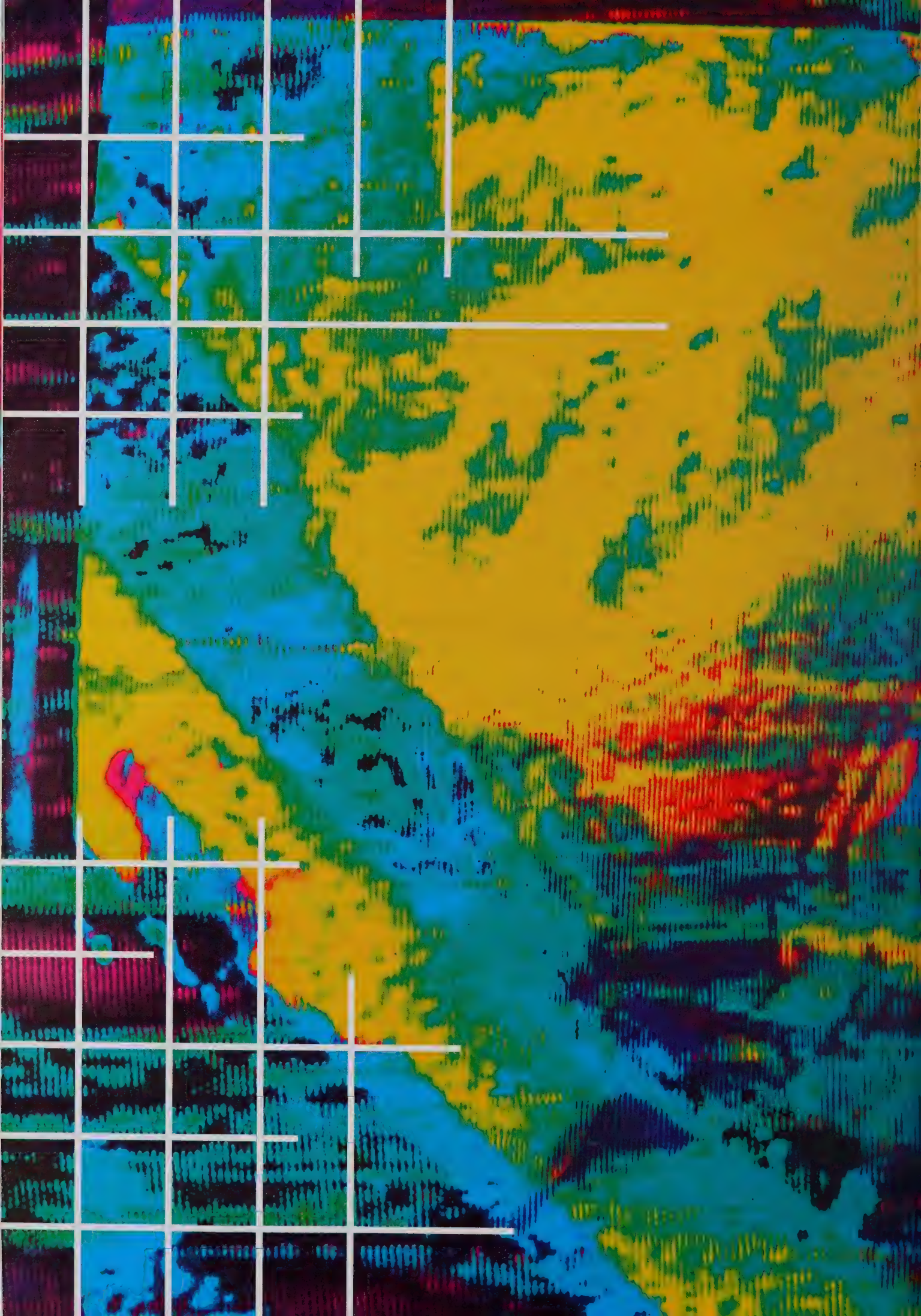
Based on data from the AGB McNair panel, this survey presented a simple idea to monitor button pushing of the PeopleMeter panelists. The idea is known as 'Cover Analysis' and was developed by Jonathan Jephcott while he was at AGB in the UK. It is intended to establish norms of viewing for similar groups of panelists and highlight those that deviate significantly from the norm.

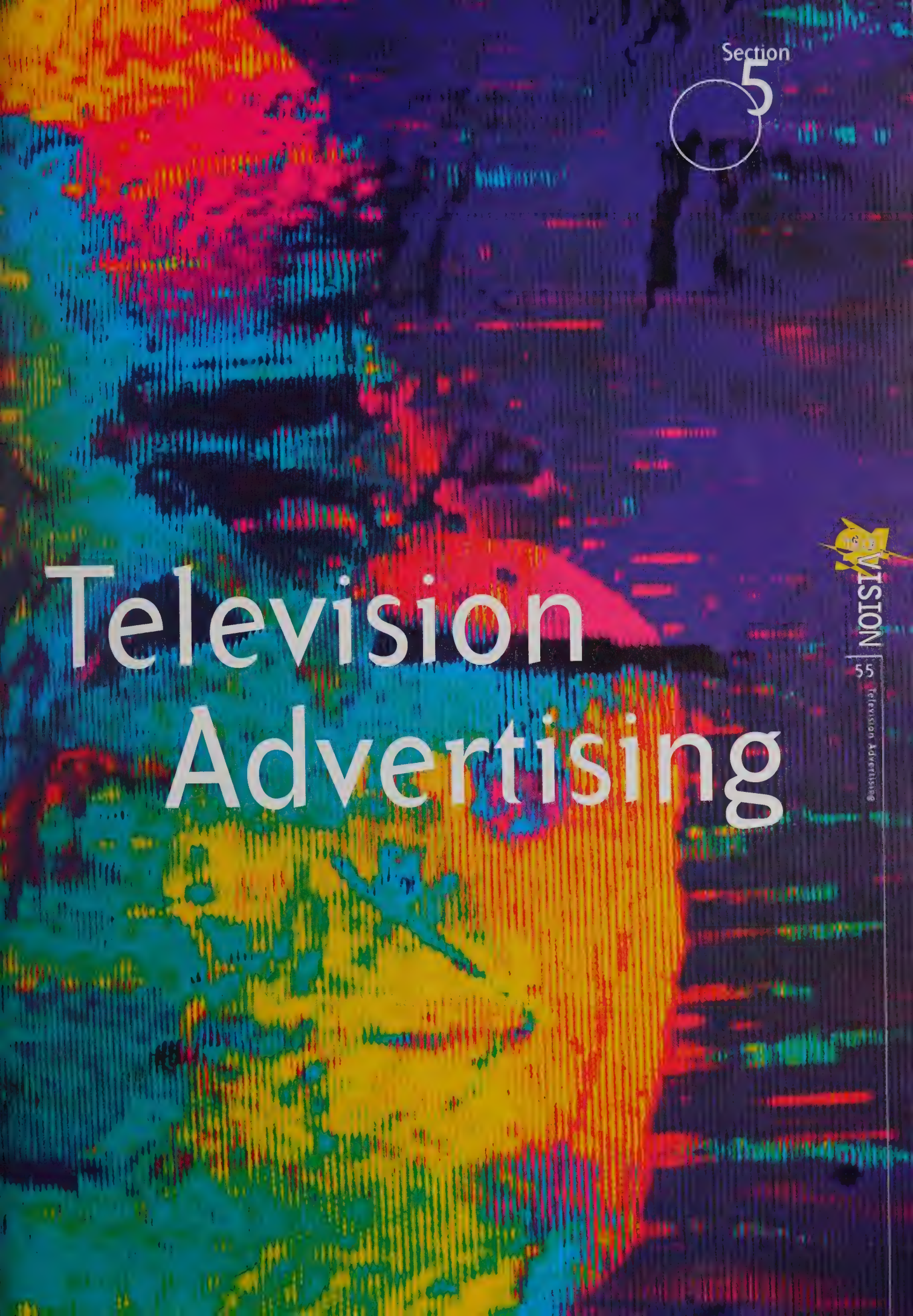
A mean 'Cover' and a standard deviation were calculated. Any individual whose cover fell below two standard deviations from the mean was given a telephone call by the panel manager to ask about their viewing behaviour. Only two out of 27 investigated did not have valid reasons for this low cover.

Cover parameters are reset every three months and are used as an on-going part of the panel management regime.

MONTHLY TELEVISION VIEWING TRENDS (Updated six monthly by AGB McNair)

This is a six monthly review of long term viewing behaviour over the period from May 1990 onwards. Analysis is provided for nine key industry demographics with average audience and channel share data being provided for the 6.00pm to 10.00pm time zone.





Section 5

Television Advertising

ADVERTISING EXPENDITURE

For many people, advertising is seen as a complex art and science. Nevertheless, advertising is an integral part of today's society and consumers are exposed to numerous advertising images every day. Advertising makes a number of positive economic contributions to society through communicating product information and stimulating economic activity. It is also the key funding source for television and other media in New Zealand. The following section takes a look at the top spenders on advertising in New Zealand in 1994. It also details commercial lengths and the amount of time per hour dedicated to commercial breaks.

1994 TOP ADVERTISERS
SORTED BY TOTAL EXPENDITURE BASED ON RATECARD VALUE

		Total Expenditure
1	*Lever Rexona NZ Ltd*	18,945,430
2	*Telecom Corp Of NZ Ltd*	14,439,642
3	*Sanitarium Health Food Co*	14,299,346
4	*NZ Lotteries Commission*	13,788,099
5	*Cadbury Confectionery Ltd*	12,308,068
6	*Effem Foods (NZ) Ltd*	11,838,090
7	*Colgate-Palmolive Ltd*	11,664,834
8	*Griffins Foods Ltd*	11,641,521
9	*Nestle NZ Ltd*	10,325,243
10	*McDonald's System Of NZ Ltd*	9,835,285
11	*Air New Zealand Ltd*	9,287,387
12	*Kellogg (Aust) Pty Ltd*	9,104,396
13	*TVNZ Enterprises*	8,652,851
14	*Procter & Gamble NZ Ltd*	8,534,758
15	*Reckitt & Colman NZ Ltd*	8,052,456
16	*Farmers Trading Co Ltd*	7,594,316
17	*NZ Dairy Foods Ltd*	7,289,725
18	*Coca-Cola NZ Ltd*	7,198,585
19	*Noel Leeming*	6,914,007
20	*Kentucky Fried Chicken NZ Ltd*	6,881,396
21	*DB Breweries Ltd*	6,527,067
22	*Unifoods NZ Ltd*	6,121,833
23	*J Wattie Foods Ltd*	5,237,333
24	*Ford Motor Co Of NZ Ltd*	5,233,809
25	*Bank Of New Zealand*	5,215,051
26	*Toyota (NZ) Ltd*	5,056,153
27	*Wattie-Tip Top Ice Cream Co Ltd*	5,012,915
28	*NZ Apple & Pear Marketing Board*	4,991,107
29	*Caxton Products Ltd*	4,927,480
30	*Johnson & Johnson NZ Ltd*	4,739,001
31	*Deka New Zealand Ltd*	4,625,594
32	*Clear Communications Ltd*	4,621,580
33	*Unilever NZ Ltd*	4,620,553
34	*ANZ Banking Group (NZ) Ltd*	4,601,807
35	*The Warehouse Ltd*	4,475,182
36	*S C Johnson & Son Pty Ltd*	4,308,933
37	*Caltex Oil NZ Ltd*	4,292,782
38	*Shell Oil NZ Ltd*	4,230,754
39	*Prestige Marketing Ltd*	4,137,376
40	*Mitre 10 NZ Ltd*	4,101,491

Source: AGB McNair

AGENCY REPORTED EXPENDITURE

DECEMBER 1993-NOVEMBER 1994
SORTED BY TOTAL EXPENDITURE (GROSS)

		Total Expenditure	TV	NPapers	Mags
		$ 000's	$ 000's	$ 000's	$ 000's
1	**Bates New Zealand** *	65,853	57,839	4,496	3,518
2	**Saatchi & Saatchi** (Auck)	64,910	53,582	6,614	4,714
3	**Saatchi & Saatchi** (Wgtn)	60,241	47,354	10,654	2,233
4	**Colenso** (Auck)	57,584	49,717	3,940	3,927
5	**DDB Needham NZ** (Auck)	48,153	43,218	2,970	1,965
6	**J Walter Thompson** (Auck)	43,858	40,965	2,163	730
7	**McCann-Erickson** † (Auck)	40,831	36,338	1,689	2,804
8	**Mattingly & Partners**	37,193	23,322	13,010	861
9	**Colenso** (Wgtn)	36,252	27,598	6,876	1,778
10	**Ogilvy & Mather** (Auck)	33,785	27,022	4,518	2,245
11	**Mojo New Zealand** (Auck)	25,353	20,139	2,962	2,252
12	**Total Media** (Auck)	24,153	21,009	1,451	1,693
13	**BSW Young & Rubicam**	23,949	19,162	2,832	1,955
14	**Lintas: New Zealand** (Auck)	23,303	19,662	1,120	2,521
15	**HKM Advertising** (Wgtn)	22,641	14,942	5,995	1,704
16	**D'Arcy Masius Benton & Bowles**	17,473	12,890	3,259	1,324
17	**Lintas: New Zealand** (Wgtn)	16,775	15,783	270	722
18	**Foote Cone & Belding** (Auck)	16,342	9,552	6,020	770
19	**HKM Advertising** (Auck)	15,281	12,240	1,162	1,879
20	**J Walter Thompson** (Wgtn)	13,404	12,663	355	386
21	**M For Media** (Auck)	13,291	8,134	3,241	1,916
22	**Strategic Media** (Auck)	13,229	11,465	669	1,095
23	**Team Communications**	12,690	11,570	579	541
24	**Gestro Horne** (Auck)	12,682	8,915	2,817	950
25	**Walkers Advertising**	12,305	6,601	3,684	2,020
26	**Saatchi & Saatchi** (Chch)	11,457	7,559	2,805	1,093
27	**Foote Cone & Belding** (Wgtn)	11,321	7,876	2,252	1,193
28	**Mojo New Zealand** (Wgtn)	10,558	8,409	1,158	991
29	**Ogilvy & Mather** (Wgtn)	7,949	6,251	1,032	666
30	**The Chesterman Group** (Ham)	7,560	6,678	723	159
31	**A N White**	7,489	6,310	1,064	115
32	**Promotus Advertising** (Wgtn)	6,420	4,769	1,148	503
33	**Goldsack Harris Thompson** (Wgtn)	6,085	3,200	1,861	1,024
34	**Media Advertising Services**	5,795	5,718	0	77
35	**Media Sales Network** (Aust)	5,275	4,944	153	178
36	**Kirby Advertising & Marketing**	4,907	2,638	2,269	0
37	**Outside the Square Advertising**	4,731	2,673	1,106	952
38	**Foote Cone & Belding** (Chch)	4,449	357	3,610	482
39	**IHJ & Christensen**	4,159	2,371	907	881
40	**Media Plus Ltd**	3,629	2,895	431	303

Source: ADEX
** Includes Campaign Palace and Media Decisions*
† Includes Universal Media

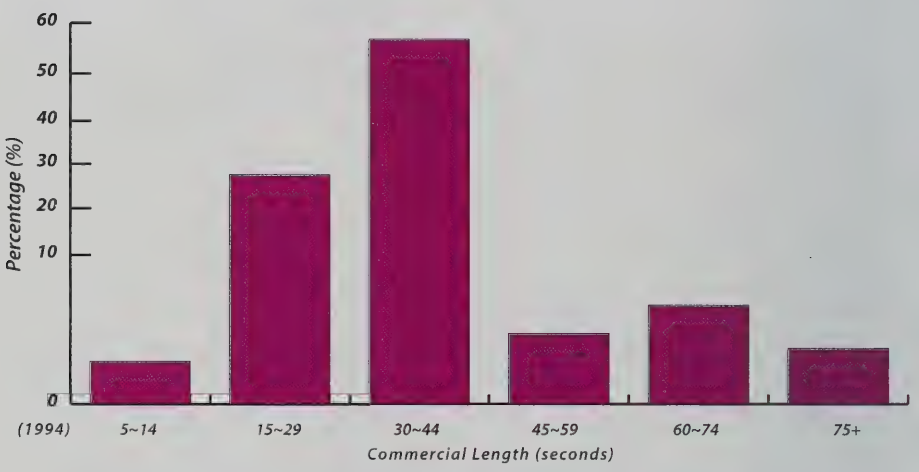
COMMERCIAL LENGTHS

National and Northern sales region data.

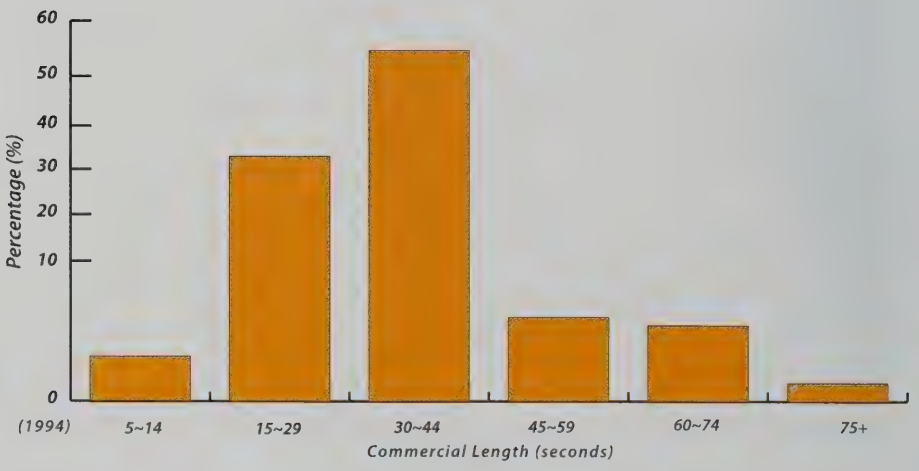
Includes: Sponsored programme promotions.

Excludes: Network programme promotions and community service.

Commercial Lengths, All Channels, 6.00 to 2.00



Commercial Lengths, All Channels, 18.00 to 22.30



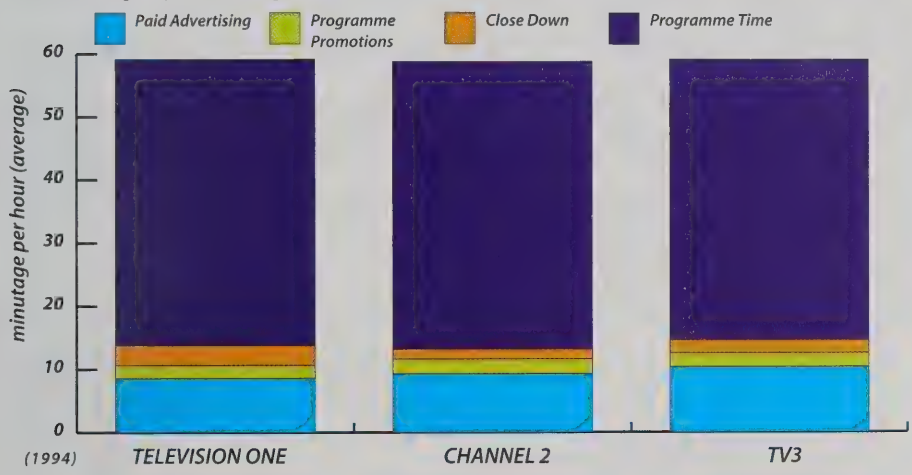
Source: AGB McNair

1994 MINUTAGE PER AVERAGE HOUR

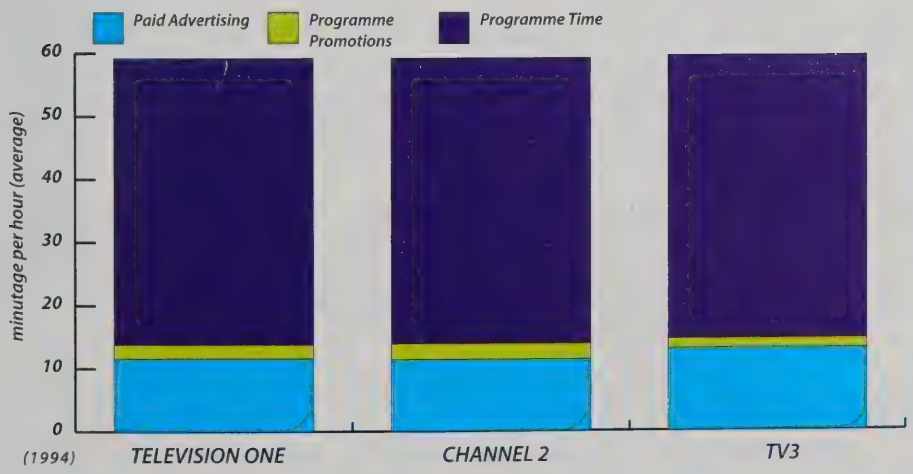
Paid advertising includes product advertising, community service and sponsored programme promotions.

Minutage taken from National and Northern sales regions.

Minutage (per average hour) 6.00 to 2.00



Minutage (per average hour) 18.00 to 22.30



Source: AGB McNair

WHY ADVERTISERS CHOOSE TELEVISION AS A MEDIUM

Television reaches virtually every home in New Zealand and is undoubtedly a national medium. Television offers the greatest range of advertising qualities. It is set apart from the competing media by its ability to offer sight, sound and motion to generate an emotional response. More specifically, television is chosen by advertisers because of the following:-

ACCOUNTABILITY

Television in New Zealand is researched more than any other medium in the country. Ratings are gathered for every programme and channel every day of the year, and are analysed by individual quarter hour periods. Additionally the 'Hunter' commercial monitor records the exact time each commercial plays for post transmission verification.

BRAND IMAGE

The power of television advertising can be used creatively by advertisers to differentiate themselves from the competition and develop a unique persona that implies credibility, quality and service. By using the qualities of television (sight, sound and motion), advertisers can generate emotion and excitement that cannot be created as well through any other medium. This can help to create a long lasting and memorable brand image.

CONSUMERS' PERCEPTIONS

New Zealanders enjoy television. The average New Zealander spends over 12 hours per week watching television (source: AGB McNair). According to the Heylen Research on 'What New Zealanders Think About Advertising' (refer page 64), 32% of New Zealanders like television commercials. This study also shows that for more than 80% of New Zealanders, advertising is perceived as being entertaining and amusing.

COST

Many advertisers perceive television commercial production to be prohibitively expensive. While some commercials are expensive, successful commercial productions can be undertaken by smaller advertisers. A commercial's wit, strong selling point and clarity of message can make it a winner in consumers' minds despite a very small production budget.

DEMONSTRATION CAPABILITIES

The ability to show products in action can easily introduce new products to consumers.

PERSON TO PERSON COMMUNICATION

Ideal person to person communication is achieved through a combination of both the spoken word and unspoken elements such as body language and gestures. With both visual and sound capabilities, television comes close to offering the ideal person to person communication.

RETENTION

People learn through their senses. By stimulating more senses, the message is more likely to be noticed. Television as a medium appeals to the sight and sound senses. The combined power of sight, sound, motion and emotion creates a synergistic effect that is more effective than when individual senses are stimulated.

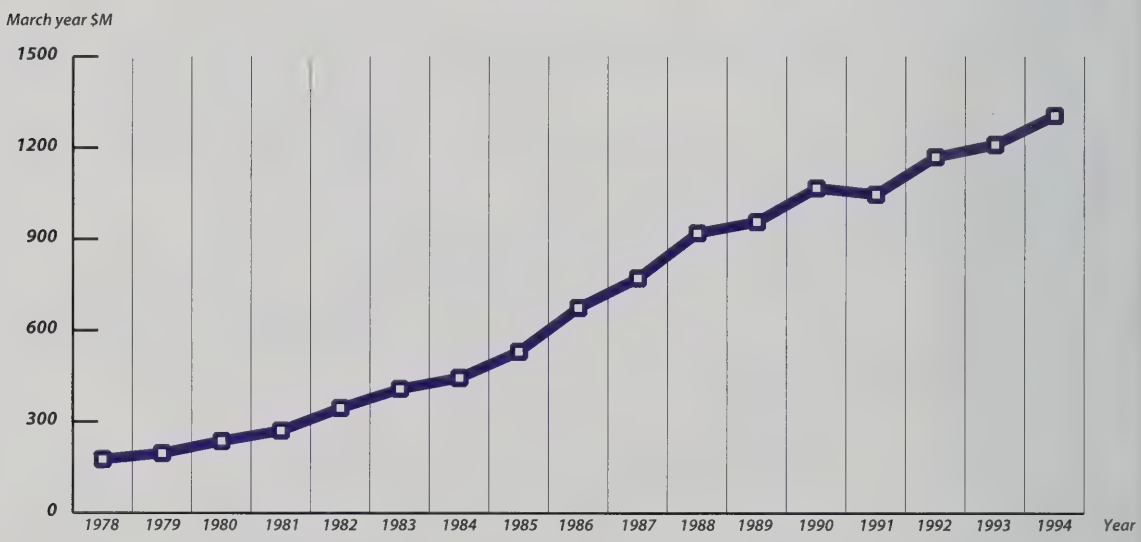
KEY STRENGTHS OF TELEVISION ADVERTISING IN NEW ZEALAND:

- High reach: television has the highest daily and weekly reach of any medium in New Zealand.
  - Television is the main source for news, sports, entertainment and general knowledge.
- Television is well suited to marketing products and services with broad appeal.
  - Television can deliver to narrow target audiences through selective placement of commercials in programmes.
- Television is immediate and timely.
  - There are a variety of creative executions available using television.
- Television offers a variety of placement strategies to build frequency and reach for brands.
  - Television is cost efficient for most general target groups.
- Television has an aura of importance. It is a prestigious medium, enhancing the advertisers' image by its use.
  - Television audiences are measured on a daily basis through the PeopleMeter Measurement System. This allows advertisers to track who they reached with their advertising. This allows for rapid and accountable research results.
- Television can be purchased nationally or regionally.
- Television appeals to more of the consumers' senses than any other mass medium.
  - Television gets closer than any other mass medium to one to one communication.
- With television, a powerful, emotional impact can be created.
  - Pricing varies by demand and region, allowing smaller companies to trial the medium at a relatively low cost.
- Television can create high impact with viewers by offering dynamic and visual messages.
  - Moods and images can be created for brands.
- Television has the ability to reach target audiences quickly. This is particularly important for new product or service launches.

ADVERTISING EXPENDITURE ON TELEVISION AND OTHER MEDIA IN NEW ZEALAND

The Advertising Agencies Association (3As) produces an annual report detailing advertising expenditure across all media in New Zealand. This report serves as a useful monitor of trends within the advertising industry. Annual results since 1978 (year ending 31 March) are illustrated in the following graphs.

New Zealand Advertising Industry Turnover - Total Expenditure

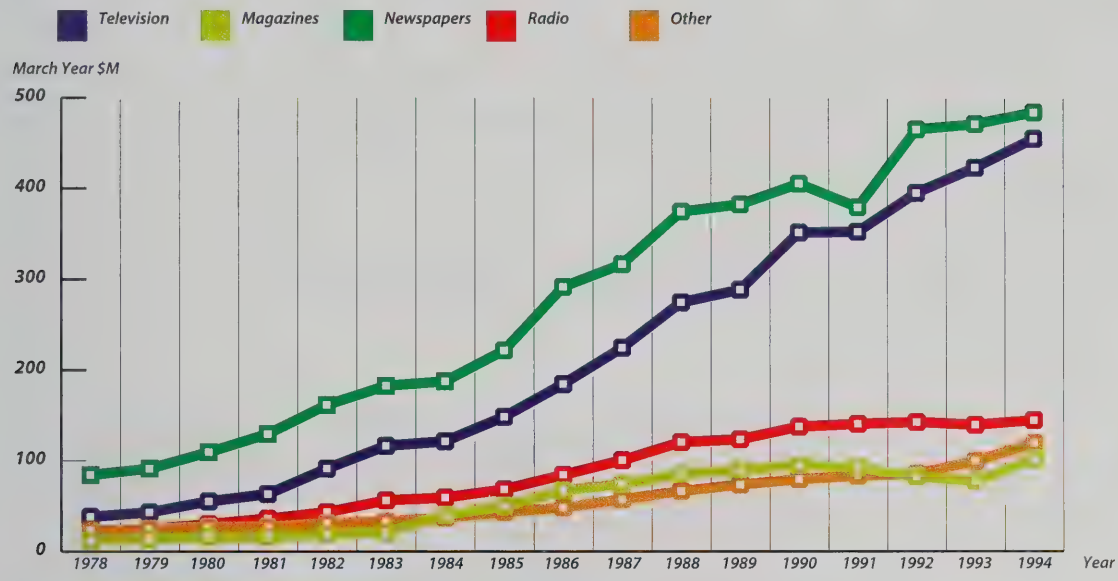


** Excludes Community Newspapers prior to 1992.*

Total expenditure on advertising in New Zealand continued to grow in 1994 to $1304 million, an increase of 7.9% over 1993. Advertising expenditure in New Zealand almost tripled between 1984 and 1994.

Source: 3As

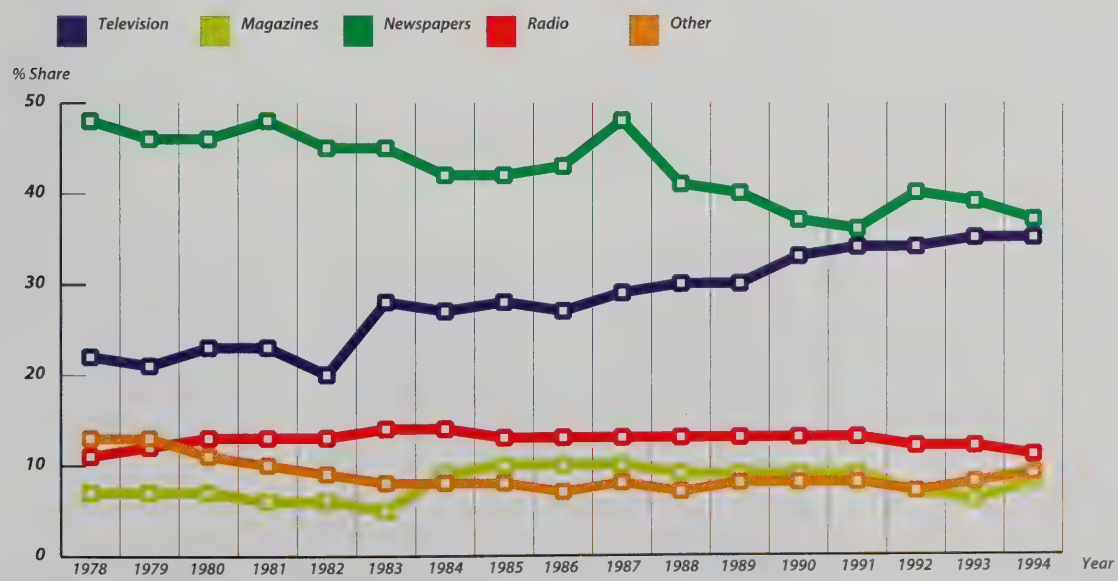
New Zealand Advertising Industry Turnover ($Million)



*Newspapers Includes Retail & Classified.
Community Newspapers are not included prior to 1992.

Spend on television advertising in 1994 was almost four times greater than in 1984. Spend increased to $455 million from $423 million in 1993.

New Zealand Advertising Industry Turnover (% Share)



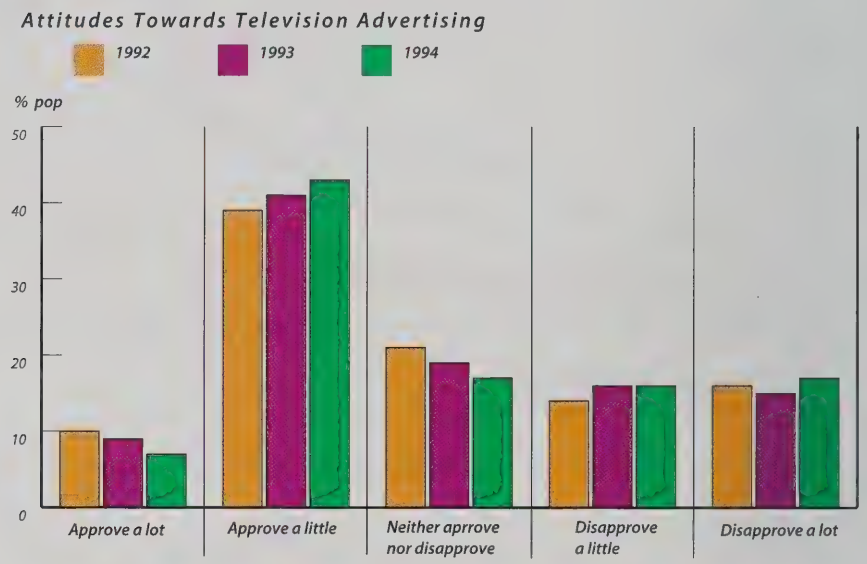
*Newspapers Includes Retail & Classified.
Community Newspapers are not included prior to 1992.

In 1984 television's share of total advertising spend was 27.3%. By 1994 this figure had increased to 34.9%. From 1989 to 1994, television's share of total advertising turnover increased from 30.1% to 34.9%, representing 15.9% growth over that period.

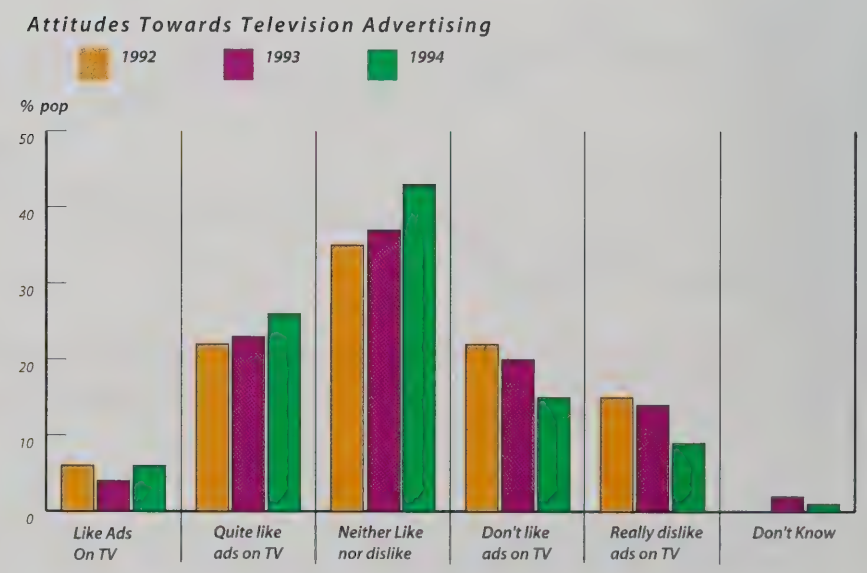
Source: 3As

NEW ZEALANDERS' ATTITUDES TOWARDS TELEVISION ADVERTISING

Since 1992 Heylen Research has been commissioned to conduct an annual survey into people's attitudes towards advertising in general, and television advertising in particular. Results from Heylen's 1994 study into television advertising are outlined in the graphs below.



New Zealanders accept television advertising as part of their lives.

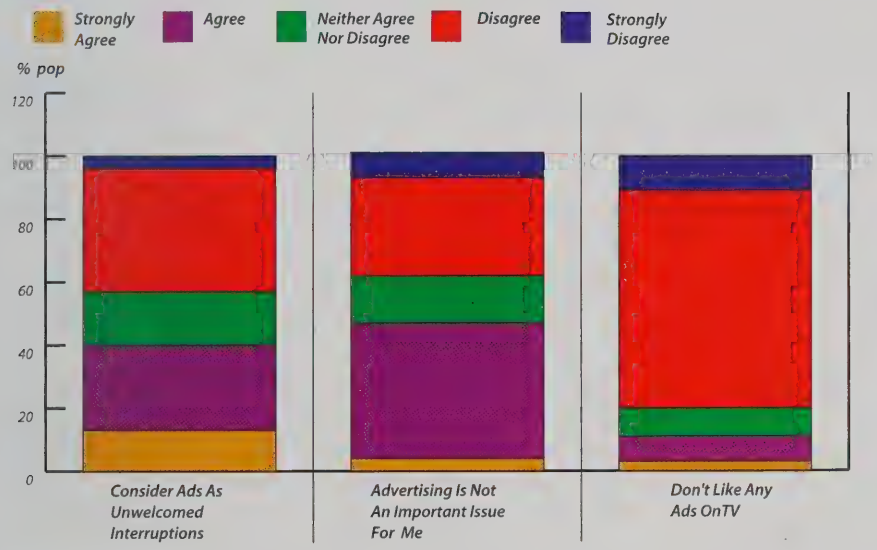


More New Zealanders like television advertising than dislike television advertising, and this number is growing.

Method and Sample

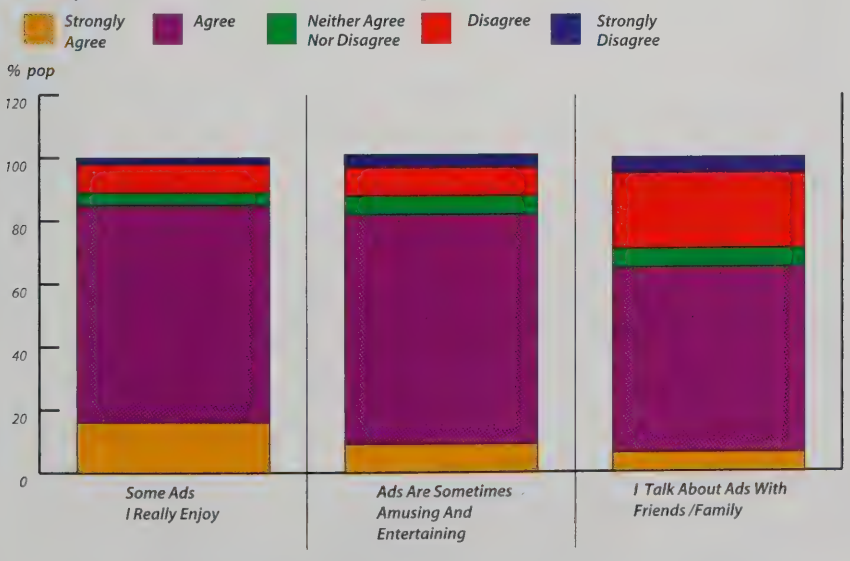
- *N = 1000 telephone interviews*
- *Nationwide random sample of adults, 15 years and over*
- *Fieldwork undertaken 15-29 June 1994*

Perceptions of Television Advertising



While most New Zealanders feel advertising is not an important issue for them personally, 80% say they like commercials they see on television.

Perceptions of Television Advertising



Over 80% of New Zealanders really enjoy some of the television commercials they see, finding them amusing and entertaining. New Zealanders also talk about commercials.

Method and Sample

- *N = 1000 telephone interviews*
- *Nationwide random sample of adults, 15 years and over*
- *Fieldwork undertaken 15-29 June 1994*

ADVERTISING STANDARDS

New Zealanders can complain about any advertisement they feel is in breach of the Advertising Codes of Practice. All complaints go to the Advertising Standards Complaints Board (ASCB) in Wellington. The ASCB is one of the services provided by the Advertising Standards Authority (ASA), a self-regulatory group established to develop, maintain and promulgate the Codes of Practice for advertising, and to fund and resource a complaints body.

CURRENTLY THERE ARE ADVERTISING CODES FOR:-

- Ethics
- Liquor advertising
- Baldness or hair loss
- Road safety
- Petrol consumption
- Financial advertising
- The way people are portrayed in advertising
- Slimming or weight loss products
- The way bank notes are reproduced in ads
- Farm safety
- Advertising to children
- Environmental claims
- Comparative advertising

The codes are frequently updated, and during 1994 there were reviews on the road safety code, the environmental advertising code and the liquor code.

HOW TO COMPLAIN ABOUT AN ADVERTISEMENT

A complainant:

- May write to the ASCB. Complaints should be addressed to the Secretary, ASCB, PO Box 10-675, WELLINGTON
- May also wish to phone or write to the advertiser concerned
- Will receive a reply from the ASCB
- If dissatisfied with the decision, may be able to appeal to the Advertising Standards Complaints Authority Board

THE TELEVISION COMMERCIALS APPROVAL BUREAU

The Television Commercials Approval Bureau (TVCAB) was founded in 1989 as a joint venture funded by TVNZ and TV3. Since then, both SKY and Action TV (now known as Trackside Channel) have become participants in the Bureau, which is now self-funded.

Essentially the TVCAB acts as a single point of contact for ensuring that commercials are acceptable for broadcast prior to being played for the first time. In its decisions the TVCAB is governed by relevant legislation such as the Broadcasting Act and the Fair Trading Act, and the more specific Codes of Practice which have been developed under the auspices of the statutory Broadcasting Standards Authority and the advertising industry's self-regulatory body, the Advertising Standards Authority.

Every finished commercial is vetted and, once approved, given a TVCAB approval number and censorship classification. The television networks cannot play the commercial until they are notified of the approval number and must ensure that it only plays within the time zones allowed by the censorship classification.

The TVCAB appraisers consider a wide range of issues to ensure that legal and broadcast standards are upheld. These include:-

- Puffery versus exaggerated claims
- Comparative statements
- Standards of decency
- Product claims
- Legal requirements
- Proposed and peripheral target audiences
- Censorship classification options

The TVCAB can offer advice to advertising agencies during all stages of television commercial production in order to ensure that the finished product complies with all relevant standards and regulations.

During 1994, it is estimated that 11,000 commercials were auditioned and accepted with one third of them being totally new and the remainder variations of existing commercials.

THE APPROVAL PROCEDURE

RECOMMENDED PROCEDURE

Prior to the production phase, it is recommended that the TVCAB is given the opportunity to comment on the commercial based upon a script assessment. This is not mandatory, but highly recommended for possibly contentious areas, particularly:-

- comparative advertising (especially when sourced from overseas)
- liquor
- pharmaceuticals and health
- taste and decency issues.

MANDATORY PROCEDURE

The following must be received by the TVCAB five days before the first transmission of the commercial:-

- the completed commercial on VHS videotape
- two copies of the script may also be required for clarity, depending upon the commercial

Penalty charges may be imposed if the commercial is submitted less than two working days prior to the first day of transmission.

COMMON CENSORSHIP CLASSIFICATIONS

General May be telecast at any time.

General Except Children May be telecast at any time except during programmes which are intended particularly for children under the age of 10.

General Alcohol/Adult May be telecast at any time except during programmes which are intended particularly for children or young people under the age at which they can legally purchase alcohol.

Parental Guidance May be telecast after 7.30pm (or during school hours on weekdays except school holidays).

Adult Only May be telecast after 8.30pm or placed in adult programmes during school hours on weekdays except during school holidays.

Special Liquor May be telecast only between the hours of 9.00pm and 6.00am.

Special 10.00pm May be telecast after 10.00pm (until the end of the night's adult programming).

Other special classifications may be determined in exceptional circumstances from time to time.

TVCAB's contact address:

PO Box 8733

Symonds Street

Auckland

Telephone (09) 373 2907

LIQUOR ADVERTISING

In August 1991 the Broadcasting Standards Authority (BSA) released the Alcohol Advertising Code Review. The review that preceded this report recommended that liquor advertisements which featured brand and price be allowed on radio and television if they complied with strict conditions. The Advertising Standards Authority (ASA) Liquor Code was changed to meet the requirements of this report and was adopted from 1st February 1992. The new code was to operate for a two year period and then be reassessed. A technical review of the code was conducted after six months, which resulted in some rewording.

On 1 July 1993 an amendment was passed to the Broadcasting Act 1989 which effectively changed the dual jurisdiction of broadcast advertising by the BSA and ASA to the sole jurisdiction of the ASA. The liquor code was again amended to reflect the changed jurisdiction. This meant that the ASA, rather than the BSA, would conduct the review of the liquor code after the two year trial period.

At the request of the Alcohol Advisory Council (ALAC), the review was deferred until after the April 1994 Consensus Development Conference in Christchurch convened by ALAC. Several research reports were presented and discussed at that conference.

A review team was appointed by the ASA to conduct the review. No members of the team were involved in the administration of the ASA or the liquor industry. They were:-

Judith Potter -CBE - Chair Barrister & Solicitor, immediate Past President of the New Zealand Law Society

Iain Gallaway -QSO MBE - Barrister & Solicitor, Chairman of the BSA

Laurie Cameron -CBE - Company Director, Chairman of Advertising Standards Complaints Board

Norman Dewes - Union Negotiator, Chairman of Te Runango O Nga Maata Waka Inc

Dr Bill Treadwell - Medical Practitioner, Past Chief Medical Advisor New Zealand Police, Past Chairman of Council New Zealand Medical Association

Noel Vautier - Company Secretary and General Counsel for Television New Zealand Limited

Colin Wise - Company Director, Marketing Consultant and former member of Picot Education Administration Review Task Force

The brief of the review team was to examine the desirability or otherwise of liquor advertising on radio and television and, if there was to be advertising, to decide the rules which should govern it. As part of the process, the review team was required to examine research on the effect of broadcast liquor advertising, consider all submissions and examine the current rules and their effectiveness.

Submissions were invited from members of the public and interested groups. Individuals and groups known to have an interest in the issue were written to and an advertisement was placed in every metropolitan newspaper in New Zealand.

A total of 1, 282 submissions, ranging from comprehensive documents to clip-out coupons, were received. Some 562 of these submissions were an exact copy of another submission. Thus the review team considered 720 different submissions.

The review team also considered the research presented to the Consensus Development Conference and other background material.

Public hearings were conducted in Wellington and Auckland where those people who wished to meet the review team face to face, were given the opportunity to do so. The review team heard from 44 interested parties.

After assessing the evidence and making its determination, the review team made specific recommendations to the ASA. Implementation of the recommendations rests with the ASA.

The review team did not recommend that the broadcasting of advertisements for liquor or liquor sponsorship be banned.

From a health perspective, the review team was of the opinion that although excessive consumption of liquor could cause many social problems, the evidence did not establish a causal link between broadcast liquor advertising and the excessive consumption of liquor.

Therefore, the review team felt a total ban could not be justified.

From a legal perspective, the review team was not satisfied that the test laid down in section five of the New Zealand Bill of Rights Act 1990 was met.

The review team felt that the existing code needed to be tightened and clarified. To ensure that the code was observed in the spirit as well as the letter, it recommended:

Five new basic principles

The rewording of a number of individual rules

A number of action strategies

The Broadcasting Standards Authority has also tightened codes for liquor within programmes. Broadcasters must ensure that incidental promotion of liquor is minimised. TV broadcasters will also provide $1.5 million in advertising value per annum for educational messages.

The revised code, once substantially tightened by the amendments recommended and restructured and renumbered for the purpose of clarity, should help to alleviate many of the concerns expressed about the current code.

It will come into effect on 1 April 1995.

PROGRAMME SPONSORSHIP

Requiring input from both the Sales and Programming teams at a network, broadcast sponsorship offers advertisers the opportunity to closely associate their corporate or brand values with some of New Zealand's most popular programmes.

Brand awareness can be maximised by sponsoring a programme or event that not only fits the product's image, but also appeals to the prime target audience. Examples include Lion Red's (beer) sponsorship of Aussie League and ECNZ's (electricity supplier) sponsorship of *Beyond 2000*.

Corporate image can also be reinforced by selecting a programme that in some way echoes the company's aims and ideals, such as State Insurance's sponsorship of *Crimewatch*.

Either way, programme sponsorship essentially borrows values from the chosen programme to enhance the sponsor's own qualities and values. In the long term, programme sponsorship is capable of modifying attitudes to a brand, improving credibility with a specific target group and strengthening a linked promotional campaign by providing a context for more detailed, information-driven product commercials.

Other opportunities, such as prize placement within a programme (*Mobil Sport* travel competition) or actual funding of production (*Mountain Dew On The Edge*) provide similar avenues for corporate or brand promotion.

THE THREE CRITICAL FACTORS

Consistency, compatibility and creativity are the three most important factors in a successful sponsorship.

Consistency

The sponsorship message appears regularly in the same programme at the same time.

Compatibility

There is a logical 'fit' between sponsor and programme, be it through product (Pal and Whiskas *Animals and Us*), style (Pepsi and *RTR Sounz*) or lifestyle (Steinlager beer and the All Blacks). This synergy is one of the crucial factors needed to make a sponsorship work.

Creativity

The key component in any sponsorship, creativity helps the brand or company link with the programme in a way that will not only involve viewers but also entertain them.

SPONSORSHIP ELEMENTS

Name Association

The sponsor is linked to the programme and channel with a sponsor credit acknowledging the association.

Naming Rights

The sponsor's corporate or brand name is incorporated within the programme title e.g. *Moro Sports Extra, Montana Sunday Theatre* and *Makita Sports Machine*. Title sequences can be major productions, and are usually made by a graphics facility.

Break Titles

Sponsor's logo appears for 2-3 seconds returning from the commercial break into the programme. This offers an extra prompt of sponsor recognition throughout the duration of each show.

Product Commercials

When purchased, preferred position in break is given without a loading fee and priority placement received within the sponsored programme should commercial time be limited or unavailable.

Exclusivity

An additional and strategically valuable benefit stemming from the purchase of product commercials within a sponsored programme. Exclusivity will be against specific, mutually agreed brands, further enhancing the sponsor's association with the programme by ensuring the product is the only one in its category to appear within the sponsored programme's commercial breaks.

TELEVISION LISTINGS

In the case of a Naming Right sponsorship, all publicity material sent to the press will acknowledge the sponsor.

SPONSOR TRAILERS

A means of gaining a closer association with the sponsored programme by maximising the potential viewing audience. Like on-screen programme promotions, the aim of sponsor trailers is to publicise the forthcoming programme. However, sponsor trailers screen in commercial airtime purchased by the sponsor, giving them complete control over placement. They normally consist of a 50/50 split between programme footage and client product commercial, providing an additional creative link between programme and sponsor.

PRODUCTION FUNDING

As an extension of programme sponsorship, a company enters into a partnership with the broadcaster to assist with the funding of a programme or series. While production funding may require a heavier financial commitment than usual Name Association or Naming Rights sponsorships, it can provide substantial rewards in the form of exposure.

Section 6

The Future Of Television In New Zealand

INTERACTIVE TELEVISION

The difference between computers, televisions and telephones is perfectly obvious today. Tomorrow it won't be. The worlds of television, computer and telephone are in the process of merging. Already a number of computers on the New Zealand market can pick up Television ONE, Channel 2 and TV3, and others with telephone functions will soon become available. Telephones in the home will become more computer-like, with the ability to search electronic directories for names, numbers, streets and businesses.

Televisions will become digital too. Just as the arrival of the compact disc dramatically improved the quality of music reproduction, so the digital production and transmission of television pictures will lift the quality of television. With digital television there will be clearer pictures, with no flicker and without ghosting. More significantly, the television will be able to access databases, held in either its own memory or accessed via telecommunication or interactive networks. This will enable viewers to access information they specifically want. For example, viewers could ask for all the news on German soccer so that when a fresh story became available, they would be alerted by a small sign on the television screen. Similarly, it will be possible for homebuyers to search for a specific type of house in a specific suburb and within a certain price range, and get all the information, photos and floorplans delivered onto their television screen.

Like a computer, television is becoming interactive. Direct Response Television (DRTV) is an example of interactive television in its infant stages. Viewers will be able to access a number of services through their televisions, such as ordering airline tickets, checking what's on at the cinema, playing sophisticated electronic games and managing the power consumption of a household.

New Zealand is in the early stages of the digital revolution. Many trunk roads have optical fibre buried beneath them, so much of the backbone is already in place. The technical specification for digital television (either broadcast or cable) will be finalised by early 1995 and the manufacture of digital sets will start soon after. It is thought that some parts of New Zealand will have digital television by the year 2000.

DIRECT RESPONSE TELEVISION (DRTV)

The 0800 toll-free telephone service was introduced to New Zealand in April 1989 and its use led to the development of DRTV in this country. The use of DRTV represents the first step in interactive television creating a direct link between the viewer and the advertiser.

DRTV uses television to generate an immediate and measurable action from a targeted audience. DRTV advertising asks the viewer to do something (e.g. make a telephone call) to order a product or ask for information. In most cases it combines the power of television advertising with the immediacy of the telephone. This enables consumers to instantly order products, obtain information, enter competitions and so on.

Advertisers can use DRTV in a number of ways. These include obtaining a list of potential product or service users (lead generation campaigns); building a database of potential product users (database development campaigns); selling products directly to consumers (direct selling campaigns); creating demand for a product so that retailers will stock that product (retail selling campaigns); raising funds or support for charities and causes (fund raising campaigns); gathering specific market information from consumers; providing immediate trial for new products (product trial); generating consumer entry to competitions (sales promotions) and providing entertainment and information (information service providers).

An increasing number of advertisers are looking for better, more accurate ways of reaching clearly defined target audiences and measuring the effectiveness of their advertising, and DRTV is seen as an effective means of doing this. The estimated ratecard expenditure on DRTV over all channels in New Zealand was 66 million NZ Dollars in 1994 (source: AGB McNair).

Using DRTV Advertisers Can:-

- Cost-effectively reach consumers
- Build brand image and awareness
- Show viewers how their product works and demonstrate its consumer benefits
- Get an instant order or reaction which provides instant gratification to the purchaser
- Track and quantify results so they instantly know if their commercial works
- Gather information they receive from respondents to build a database and increasingly target their advertising

SATELLITE TELEVISION

Television has made use of satellites from their earliest days. As soon as New Zealand had an earth station to receive international transmissions, it was relaying the pictures.

Until recently, however, there has been a lack of satellites over the South Pacific. Above the region there has only been a few satellites of the international consortium, Intelsat.

America led the way in satellite television with a large number of domestic satellites used to support its cable television industry. Europe then followed with direct to home satellite services. More recently Rupert Murdoch and others have used new satellites over the increasingly lucrative Asian region.

Now satellites are being prepared that have 'footprints' which direct all their signal at New Zealand (and Australia) rather than spreading it over a third of the globe.

Not only are there more satellites available to New Zealand, the amount of material each can carry has also been increased dramatically with digital compression technology.

These 'new generation' satellites, with higher power and digital technology, will provide many new opportunities:

- The main networks in New Zealand will have even greater access to any pictures they want from anywhere in the world
- Regional stations will have international news and programme feeds available to support their local product
- More international networks will be available directly to home viewers
- New Zealand television will be available to anyone who wants it, anywhere
- Innovative services and new ways to interact with television will become available to New Zealanders

CABLE TELEVISION AND FIBRE OPTICS

Cable television is television delivered to homes by cable, rather than over the air. While free-to-air broadcast television in New Zealand is primarily funded by advertising revenue, cable television is generally funded by viewer subscriptions.

Cable television originated in the US initially as a means of delivering local broadcast television signals to areas with poor reception. Cable television has gradually grown to include delivery of distant broadcast signals and a host of dedicated cable TV channels.

Cable television generally has the capacity to deliver a greater number of channels than is possible using traditional analogue broadcast systems and it offers paying viewers a wider choice. (However, advances in digital compression are dramatically increasing the channel capacity of broadcast frequencies.)

Internationally, the growth of cable television has been more rapid in countries with poor broadcast reception and poor broadcast programming. In New Zealand almost 100% of the population receive broadcast signal, programming is of a high standard and New Zealanders in the areas most likely to be cabled already have access to premium subscription television through SKY which is delivered by a wireless UHF signal. It is therefore considered likely that the uptake of cable television services in New Zealand could be slower than in other countries.

A contemporary cable television system consists of four components:-

The Head End: The Head End includes satellite and terrestrial receivers that 'capture' television signals for re-transmission through the cable system. These signals, together with those from videotape playout or a local cable channel, are encoded for security and have their frequencies changed to enable them to be carried by the cable system.

Fibre Optic Cable: Fibre optic cable is used as the 'backbone' of the cable system because of its high channel capacity and because it requires less amplification over distance compared with traditional coaxial cable.

A Coaxial Cable Network: Traditional coaxial cable still remains more economical for distribution from a 500 home 'node' to the In-Home Unit.

In-home Unit: The In-Home Unit (or Set Top Unit) decodes and reconfigures the signal so it can be displayed on a domestic television screen.

In the US there are several tiers of cable television programming. The basic monthly cable subscription covers connection to the cable system and access to 20 or so broadcast and medium value cable channels such as CNN. Premium channels such as HBO's movie channel, the Disney Channel and 'Adult' channels can be purchased on a monthly basis in addition to the basic subscription. Cable television subscribers can also purchase a single viewing of 'Pay per View' movies or special events such as live sports or concerts.

Telephone companies are becoming involved in providing cable television. The hybrid fibre optic/coaxial cable infrastructure being developed is capable of delivering more advanced services such as Video on Demand (a movie individually delivered to each subscriber on request rather than shared viewing of a scheduled movie), video phones and a variety of multimedia services such as individualised home shopping.

HIGH DEFINITION TELEVISION

High Definition Television (HDTV) has been defined as, "a television picture with the same high resolution as 35mm motion picture film".

Present television systems use a structure in which pictures are built up of 625 (or 525) lines. At normal viewing distances, the line structure is visible and due to the spacing between lines, resolution or sharpness is reduced.

About 10 years ago, intensive research led to the development of improved systems using 1125 and 1250 lines (HDTV). However, HDTV never really caught on in spite of the enthusiasm of its proponents and enormous expenditure on research. The broadcasters and programme makers were deterred by the implementation and operating costs, the engineers by the confusion over standards and the cost of extra frequency spectrum and the viewers by the cost of receivers.

What is considered to be a compromise is the current development of Enhanced Definition Television (EDTV) systems. EDTV proposals take the standard 625-line analogue signal and provide it with several of the enhancements considered essential to a HDTV system. These include widescreen, improved resolution, reduced cross colour, multichannel (digital) sound and ghost cancellation. The basis of EDTV is to take the basic signal and add to it 'helpers' which provide the enhancements to suitably equip receivers.

EDUCATION TELEVISION (eTV)

Expanding on its initial time slot of two hours a week in 1992, TVNZ's Education Television (eTV) served up a daily morning menu of educational programming in 1994. Offering viewers a wide range of educational programmes, eTV screened 12.5 hours a week on Television ONE (more than 600 hours over the year).

Education Television programme planners divide the week into seven identifiable programme strands, with each day having a particular focus. In 1994 these were Asian interests (including Asia Business News) on Mondays; environmental and social issues on Tuesdays; issues of Self and relationships on Wednesdays; science and technology on Thursdays; culture and humanities on Fridays; business matters on Saturdays and Asia Dynamic, a magazine programme about Asian people living in New Zealand, on Sundays.

With the aim of enriching the community by offering life long learning opportunities to viewers, eTV provided 99% of the population access to both formal and informal educational experiences.

The Four Main Components of eTV's Programming

1. TV Open Learning courses for credit towards a degree/ diploma: In 1993 eTV introduced New Zealanders to the concept of TV Open Learning, a flexible and accessible approach to study using television as one text element in distant education courses. In 1994 courses were available in French, Spanish, child development, statistics, marketing and world religions.
2. Teacher training and development
3. Programmes for senior students/ school leavers: eTV works closely with the Ministry of Education to produce an increasing number of educational programmes for teachers and secondary school students ranging from upskilling teachers to adapt to changes in the school curriculum, to career advice for school leavers.
4. General educational programmes

eTV's Audience

In 1994 Heylen Research conducted a study into the public awareness of eTV and revealed a 70% prompted awareness.

However there appears to be no such thing as a 'typical' eTV viewer, but rather a number of niche audiences. Viewers who watch eTV business programmes will often be different from those who switch on to watch eTV arts programmes.

The Future

Looking to the future, eTV expects to have an additional presence on regional television which will offer viewers a primetime slot. The advent of new technological advances such as digital compression, CD-Rom and interactivity will provide further opportunities for eTV initiatives, as eTV develops wider links with the education sector.

TELETEXT

Teletext is a national, free-to-air, text-based news and information service transmitted to more than 550,000 viewers over the age of 15 in more than 250,000 households (source: AGB McNair, October 1994) by Television ONE, Channel 2, TV3 and Canterbury TV.

By the end of 1994 Teletext was providing more than 1,000 pages of information including news, sport, weather, TV listings, finance (the NZ Stock Exchange prices are updated every 15 minutes), farming, TAB betting and results, domestic and overseas flight information, a children's section, a dating service (Partners 555) and a classified ads service. Much of the time-critical data (finance, weather, racing and flight times) is updated automatically using interface devices developed by Teletext staff. The news and sport sections are updated every day (and night) of the year by a team of subeditors using computer terminals to access live feeds of the Reuters, AAP and Radio New Zealand wires.

The information is transmitted as indexed 'pages' using spare capacity in the television signal. Viewers select the information they want by using their remote control units to key in the three-digit numbers.

Teletext was invented by BBC engineers and the New Zealand service was launched in 1984. FasText (a speedy method of accessing key pages) was introduced in April 1994. Teletext has a keen interest in the information superhighway and in interactive TV.

The subtitling service for deaf and hearing-impaired viewers falls under the Teletext umbrella and is funded by NZ On Air. About 45 hours of subtitled programmes for Television ONE, Channel 2 and TV3 are produced each week, including 'live' news captions. The Caption Centre also handles the captioning of television commercials.

Glossary:

3As (Advertising Agencies Association)

An industry body set up to represent the interests of advertising agencies on matters relating to their business and operations.

ANZA (Association of New Zealand Advertisers)

ANZA represents the advertisers in New Zealand on industry issues, and helps them understand media through liaising with media owners, operators and advertising agencies.

Average Audience

The average audience to television as a whole, a particular channel, programme or time zone is the average of all the quarter hour audiences within a particular time period. This can be expressed in thousands of people or percentages of the total population.

BARB (Broadcasters Audience Research Board)

The United Kingdom's joint industry committee funded by television companies, advertising agencies and advertisers responsible for quantitative and some qualitative television audience research.

Channel Share (Station Share, Programme Share)

This is viewing to a channel or programme expressed as a percentage of all viewing to all channels within a particular time period. It is always expressed as a percentage.

COAX or coaxial cable

Cable comprising a central conductor (usually copper) surrounded by, and insulated from, another conductor. It is standard material used in today's cable systems. Signals are transmitted through at different frequencies, giving greater channel capacity than is possible with twisted pair cable, but less than is allowed by optical fibre.

Coincidental Survey

These are used to ascertain the level of correct usage of the PeopleMeter handset within panel households. A telephone interview using CATI (see below) is conducted with a sub-group of the panel, or the total panel, on their viewing/non-viewing at the moment their phone rang. These data are then compared with the viewing data registered on the PeopleMeter to determine the correct usage of the PeopleMeter handset.

Computer Assisted Telephoning Interviewing (CATI)

CATI is a sophisticated interviewing technique which uses computer generated questionnaires with responses being entered directly into the computer. This provides fast and flexible research results. CATI is used in the Coincidental Survey (see above).

Control Matrix

Using the primary panel controls (see below), the control matrix provides the proportions of households that fit certain criteria in order for the PeopleMeter panel to represent the population, e.g. the proportion of households that must have one TV set, live in Auckland urban, etc.

Convergence

The merging of the technologies and services associated with broadcasting, telecommunications and computing industries. The overlap between the power of the broadcasting medium, the scale of the telecommunications infrastructure and the rapid development in computer and information technology will have a dramatic impact on all three sectors.

Coverage Area

This is the area expressed in population, percentage of the population or geographic terms that can theoretically receive a television signal from a single or a number of transmitters or translators.

Cumulative Audience

The cumulative audience (or reach) of a particular channel or programme is the total number of people who viewed any of the channels or programmes in a specified time period.

Data.Line

Data.Line is the PC based data re-analysis service provided by AGB McNair to data subscribers for analysing data from the PeopleMeter Panel. Subscribers set up a request for data which is interactively processed by the computer at AGB McNair and returned to the subscriber's PC for formatting. Quarter hour, programme, channel, time zone and advertising monitoring analyses can be conducted through this service.

Digital

A technique which converts signals to collections of numbers — the language of computers.

Digital Compression

The compression of digital data to enable more information to be carried on cable or transmission.

Establishment Survey

An establishment survey is a survey of the population which obtains information on the characteristics of the population which are not routinely collected in population census. This includes presence and number of television sets and VCRs, weight of viewing, channel reception, etc. The other main function is to build a pool of suitable homes for potential recruitment into the PeopleMeter panel.

In New Zealand these are conducted on a fully national sample of 880 households per year.

Fibre Optics

Strand of stretched glass sheathed in reflective glass fibre transmitting digital information as pulses of light.

Footprint

Earth coverage area of a transmission from a satellite. Like a torch beam, the strength of the signal will weaken the further one moves from the centre, but this can be compensated for by using a larger receiver.

Glossary:

Hunter Expenditure and Monitoring Service

This is an AGB McNair service which monitors the placement and cost of advertising on television, in newspapers, magazines and on radio. All expenditure is expressed at ratecard cost.

HUT (Households Using Television)

HUT is the percentage of homes where at least one television set is switched on at any point in time. This includes viewing to all channels but does not include video viewing or recording.

JACTAR (Joint Advisory Committee on Television Audience Research)

JACTAR is an industry body including the television broadcasters (TVNZ and TV3) and representatives from the 3As and ANZA. It is chaired by the survey auditor. It is set up to oversee the running of the PeopleMeter panel from an overall industry perspective.

Multi-Set Homes

Multi-set homes are those which contain two or more television sets.

Panel Controls

These are the controls that ensure that the PeopleMeter panel is a representation of the New Zealand population. The controls are research proven factors which influence television viewing behaviour. They are divided into primary (those with significant influence) and secondary (those with a lesser influence).

Panel Size

The New Zealand PeopleMeter panel's size is 440 households containing approximately 1,100 people 5 years and over (5+). On a daily basis this generates a usable sample size of around 400 households, 1,000 people 5+. This difference is due to technical reasons such as not being able to contact houses.

PeopleMeter Audit

The process by which the PeopleMeter service is subject to detailed inspection of all aspects of its operation by an independent authority to ensure it is a true representation of the New Zealand population's viewing behaviour. This is performed by Dr Terence Beed of CSQA on behalf of the broadcasters.

PeopleMeter Measurement System

This is the current method of measurement of television audiences in New Zealand. It involves people measuring their viewing by means of a handset and the electronic collection of the channel being watched. These data are combined to produced estimates of viewing to programmes, channels, etc. The PeopleMeter Measurement System replaced the diary system and allows for overnight electronic ratings to be processed.

PUT (People Using Television)

PUT is the percentage of people that are viewing television on any channel at any point in time. This does not include video viewing.

Potential Audience

This is the number of people who make up the total population of a selected demographic group.

Quintiles of Viewing

These are five equal proportions of the population derived from a ranking of their time spent viewing over a period of time. Each quintile contains 20% of the population and range from 'light' through to 'heavy' viewers.

Ratecard Cost

Ratecard cost is the cost of an advertisement as shown on television station published ratecards. It does not take account of any discounting.

Rating

Rating is a survey-based estimate of the size of the audience to a channel, programme or time zone expressed as a proportion of the potential audience.

Reach and Frequency

Reach and frequency is used as a measurement of the performance of advertising campaigns. Reach is the total number of different people who have seen the advertisement over the campaign duration and frequency is the number of times these people had seen the advertisement, e.g. once, twice, three times, etc.

Rotation (Panel)

Refers to the process by which homes are regularly removed from the PeopleMeter panel so that no home remains on the panel for more than three years.

Survey Auditor

The survey auditor is Dr Terence Beed of the Centre for Survey Quality Assurance (CSQA). His job is to ensure that all operational aspects of the PeopleMeter panel are performing as required so that the panel is a true measure of television viewing behaviour in New Zealand. He is employed by the Television Broadcasters Group.

TARP (Target Audience Rating Point)

TARP is a survey-based estimate of the size of the audience to a channel, programme or time zone expressed as a percentage of the potential, for a particular target audience.

TVCAB (Television Commercial Approvals Board)

The TVCAB is a self-funded organisation initially set up by TVNZ and TV3. It views all commercials scheduled to show on these channels and ensures they do not breach any of the codes as laid down by the Advertising Standards Authority.

Television Broadcasters Group

The Television Broadcasters Group is made up of representatives from TVNZ and TV3. The Television Broadcasters Group works with the auditor and AGB McNair to ensure the PeopleMeter panel is operating in a way that provides a true indication of viewing behaviour in New Zealand.

3 Channel Homes

Homes (or people who live in homes) that can receive Television ONE, Channel 2 and TV3 signals.

Time Spent Viewing

This is the average time spent viewing by an individual or household in a specified period to a channel, programme, etc. expressed in hours and minutes.

Weighting

Each day in the PeopleMeter sample the distribution of homes and people is checked against Statistics New Zealand Census data to ensure the correct proportions are in place. Any differences in these proportions are corrected by weighting. If a distribution is higher in the panel, a weight of less than 1:00 is applied. If it is lower, a weight of greater than 1:00 is applied.

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and
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Alcohol Advisory Council
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Broadcasting Standards Authority (BSA)
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CTV - Canterbury Television Ltd
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Horizon Pacific Television
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Mainland Television Ltd.
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Max The Music Channel
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Television Commercial Approvals Bureau (TVCAB)
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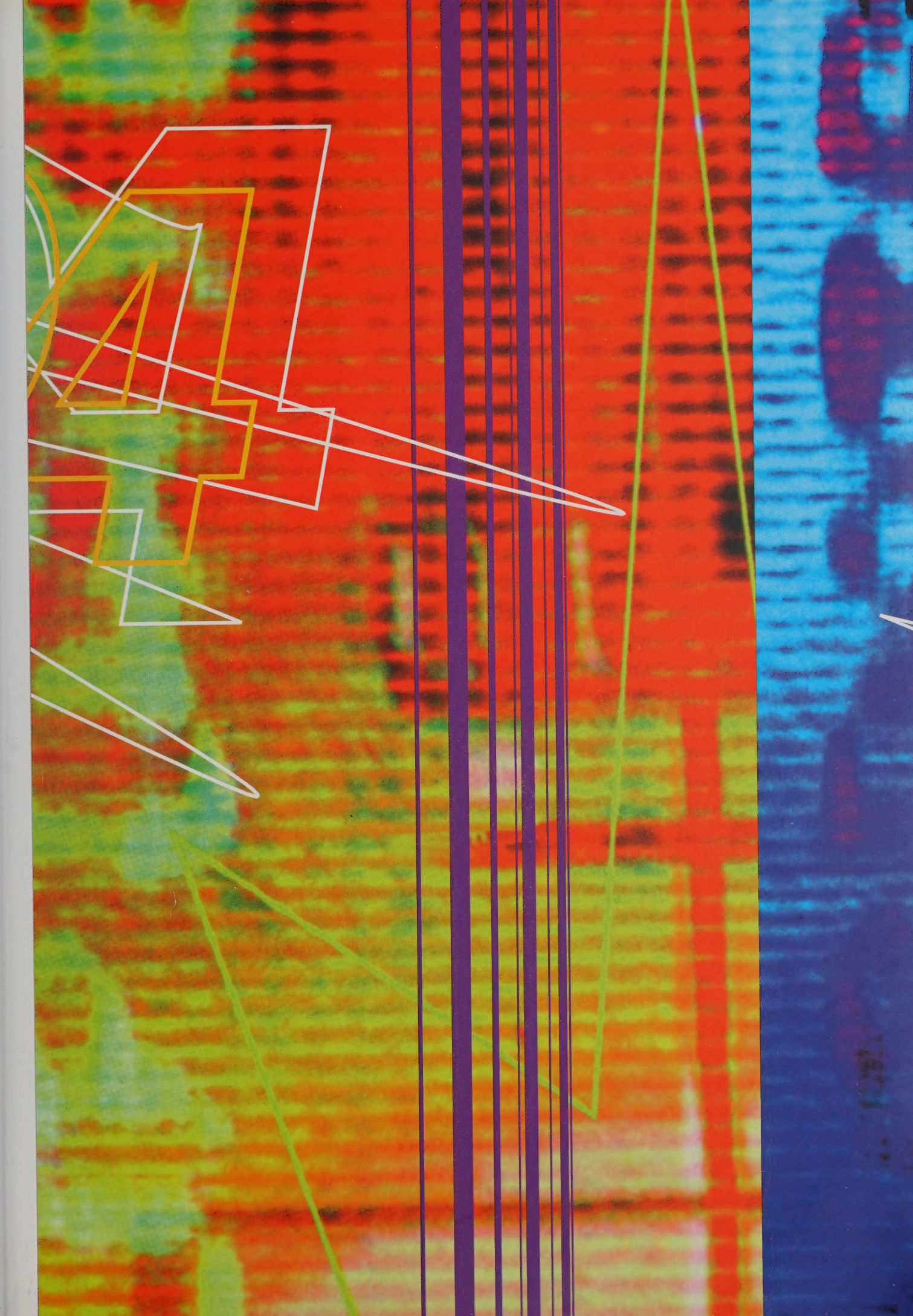

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